

Office of the Secretary of Defense Operation and Maintenance Overview

February 2005



Fiscal Year (FY) 2006 Budget Estimates



| | | | | |
|---|------------------------------------|-------------------------------------|--|-----------------------------------|
| Report Documentation Page | | | Form Approved OMB No. 0704-0188 | |
| <p>Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.</p> | | | | |
| 1. REPORT DATE FEB 2005 | 2. REPORT TYPE | 3. DATES COVERED - | | |
| 4. TITLE AND SUBTITLE Operation and Maintenance Overview. FY 2006 Budget Estimates | | | 5a. CONTRACT NUMBER | |
| | | | 5b. GRANT NUMBER | |
| | | | 5c. PROGRAM ELEMENT NUMBER | |
| 6. AUTHOR(S) | | | 5d. PROJECT NUMBER | |
| | | | 5e. TASK NUMBER | |
| | | | 5f. WORK UNIT NUMBER | |
| 7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Department of Defense ,Washington,DC,20301 | | | 8. PERFORMING ORGANIZATION REPORT NUMBER | |
| 9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) | | | 10. SPONSOR/MONITOR'S ACRONYM(S) | |
| | | | 11. SPONSOR/MONITOR'S REPORT NUMBER(S) | |
| 12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited | | | | |
| 13. SUPPLEMENTARY NOTES The original document contains color images. | | | | |
| 14. ABSTRACT see report | | | | |
| 15. SUBJECT TERMS | | | | |
| 16. SECURITY CLASSIFICATION OF: | | | 17. LIMITATION OF ABSTRACT | 18. NUMBER OF PAGES 356 |
| a. REPORT unclassified | b. ABSTRACT unclassified | c. THIS PAGE unclassified | | 19a. NAME OF RESPONSIBLE PERSON |

TABLE OF CONTENTS

| <u>OVERVIEW</u> | <u>Page</u> | <u>MAJOR ACTIVITIES</u> | <u>Page</u> |
|---|-------------|--|-------------|
| Service by Appropriation | 1 | Environmental Programs | 121 |
| O&M Title Summary | 3 | Facilities Sustainment, Repair & Modernization and Demolition Programs | 129 |
| APPROPRIATION HIGHLIGHTS | | | |
| Army | 19 | Land Forces | 135 |
| Navy | 27 | Mobilization | 141 |
| Marine Corps | 33 | Recruiting, Advertising, and Examining | 147 |
| Air Force | 37 | Ship Operations | 153 |
| Defense-Wide | 45 | Special Operations Forces | 159 |
| Reserve Forces | 51 | Training and Education | 167 |
| Defense Health Program | 59 | Transportation | 177 |
| Drug Interdiction and Counterdrug Activities | 65 | OTHER DATA | |
| Environmental Restoration Transfer Appropriations | 69 | Civilian and Military Personnel | |
| Former Soviet Union Threat Reduction | 71 | Civilian Personnel | 181 |
| Office of the Inspector General | 73 | Military Personnel | |
| Overseas Contingency Ops Transfer Fund | 75 | Active Force | 195 |
| Overseas Humanitarian, Disaster, and Civic Aid | 77 | Selected Reserve and Guard | 199 |
| Support of International Sporting Competitions | 81 | DoD Customer Fuel Prices | 203 |
| Iraqi Freedom Fund | 83 | Foreign Currency Fluctuation Rates | 205 |
| MAJOR ACTIVITIES | | | |
| Air Operations | 85 | Key Activity Indicators | 207 |
| Base Operations Support | 107 | Legislative Proposals | 213 |
| Command, Control, Communications (C3) | 113 | Distribution List | 215 |
| Depot Maintenance | 117 | World Wide Web Address | 219 |

TABLE OF CONTENTS

APPENDIX

M-1/M-1A Exhibit

O-1 Exhibit

O-1A Exhibit

Program Assessment Review Tool (PART)

**Operation and Maintenance Performance Criteria and
Metrics**

O&M TOA BY SERVICE BY APPROPRIATION

| | (\$ in Millions) | | | | | | |
|---|------------------------|------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| Army | <u>62,365.1</u> | <u>+434.8</u> | <u>-31,085.9</u> | <u>31,714.0</u> | <u>+905.0</u> | <u>-805.3</u> | <u>31,813.7</u> |
| Army | 55,870.8 | +290.9 | -30,872.0 | 25,289.7 | +761.3 | -734.4 | 25,316.6 |
| Army Reserve | 2,035.4 | +39.9 | -89.1 | 1,986.2 | +45.0 | -43.8 | 1,987.4 |
| Army National Guard | 4,458.9 | +104.0 | -124.8 | 4,438.1 | +98.7 | -27.1 | 4,509.7 |
| Navy | <u>36,620.6</u> | <u>+2,170.9</u> | <u>-4,708.4</u> | <u>34,083.1</u> | <u>+1,062.8</u> | <u>+864.5</u> | <u>36,010.4</u> |
| Navy | 30,288.1 | +1,935.3 | -3,129.2 | 29,094.2 | +958.2 | +707.5 | 30,759.9 |
| Marine Corps | 4,969.3 | +160.6 | -1,562.3 | 3,567.6 | +62.8 | +174.5 | 3,804.9 |
| Navy Reserve | 1,174.0 | +71.4 | -10.8 | 1,234.6 | +40.0 | -28.9 | 1,245.7 |
| Marine Corps Reserve | 189.2 | +3.6 | -6.1 | 186.7 | +1.8 | +11.4 | 199.9 |
| Air Force | <u>39,539.3</u> | <u>+1,837.5</u> | <u>-8,137.7</u> | <u>33,239.1</u> | <u>+1,941.4</u> | <u>+3,566.4</u> | <u>38,746.9</u> |
| Air Force | 32,981.6 | +1,431.4 | -7,872.6 | 26,540.4 | +1,423.3 | +3,557.4 | 31,521.1 |
| Air Force Reserve | 2,047.9 | +122.4 | +66.7 | 2,237.0 | +204.8 | +59.9 | 2,501.7 |
| Air National Guard | 4,509.8 | +283.7 | -331.8 | 4,461.7 | +313.3 | -50.9 | 4,724.1 |
| Defense-Wide and Other | <u>38,969.2</u> | <u>+1,553.6</u> | <u>+706.1</u> | <u>41,228.6</u> | <u>+1,571.3</u> | <u>-1,564.7</u> | <u>41,235.1</u> |
| Defense-Wide | 20,325.1 | +558.2 | -2,935.4 | 17,947.9 | +453.5 | +52.1 | 18,453.6 |
| Defense Health program | 17,769.5 | +979.9 | -572.6 | 18,176.5 | +1,055.6 | +559.5 | 19,791.6 |
| Emergency Response Fund, Defense | 130.8 | - | -124.8 | 6.0 | - | - | 6.0 |
| Former Soviet Union Threat Reduction | 448.6 | +9.0 | -49.4 | 408.2 | +8.6 | -1.2 | 415.5 |
| Office of the Inspector General | 171.7 | +5.5 | +29.5 | 206.7 | +5.1 | -2.0 | 209.7 |
| OPPLAN 34A-35 P.O.W. | - | - | - | - | - | - | - |
| Overseas Humanitarian, Disaster and Civic Aid | 92.2 | +0.7 | -34.0 | 58.9 | +1.1 | +1.5 | 61.5 |
| Payment to Kaho'olawe Island | 20.4 | - | -20.4 | - | - | - | - |

O&M TOA BY SERVICE BY APPROPRIATION

| | FY 2004 Actual | Price Growth | Program Growth | (\$ in Millions) | | | |
|--|---------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| | | | | FY 2005 Estimate | Price Growth | Program Growth | FY 2006 Estimate |
| Quality of Life Enhancements, Defense | - | - | - | - | - | - | - |
| U.S. Court of Appeals for the Armed Forces | 10.3 | +0.3 | +0.2 | 10.8 | +0.3 | +0.2 | 11.2 |
| Support for International Sporting Competitions | 0.6 | - | -0.1 | 0.5 | - | - | 0.5 |
| Environmental Restoration, Army* | (394.1) | - | +399.9 | 399.9 | +8.4 | -0.4 | 408.0 |
| Environmental Restoration, Navy* | (254.9) | - | +266.2 | 266.2 | +5.6 | +33.5 | 305.3 |
| Environmental Restoration, Air Force* | (381.2) | - | +396.4 | 396.4 | +8.3 | +1.7 | 406.5 |
| Environmental Restoration, Defense-Wide* | (23.7) | - | +23.6 | 23.6 | +0.5 | -1.0 | 23.1 |
| Environmental Restoration, Formerly Used Defense Sites (FUDS)* | (284.2) | - | +265.9 | +265.9 | +5.6 | -44.5 | 227.0 |
| Drug Interdiction And Counter-Drug Activities, Defense* | (953.3) | - | +906.5 | 906.5 | +18.7 | -29.5 | 895.7 |
| Overseas Contingency Operations Transfer Fund (OCOTF)* | (5.0) | - | +10.0 | 10.0 | - | +10 | 20.0 |
| Pentagon Renovation Transfer Fund | - | - | - | - | - | - | - |
| Claims, Mt Pinatubo, Defense | - | - | - | - | - | - | - |
| Iraqi Freedom Fund | - | - | +2,144.6 | 2,144.6 | - | -2,144.6 | - |
| Total Obligation Authority** | 177,494.2 | +5,996.8 | -43,225.9 | 140,264.8 | +5,480.5 | +2,060.9 | 147,806.1 |

*Transfer Accounts. The FY 2004 data is non-additive. The Department transfers these program funds to other appropriations (primarily Operations and Maintenance appropriations) where the Components manage, obligate, and expend the transferred funds for the purposes appropriated.

** Totals may not add due to rounding.

OPERATION AND MAINTENANCE TITLE SUMMARY

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 177,494.2 | +5,996.7 | -43,226.1 | 140,264.8 | +5,452.2 | +2,089.1 | 147,806.1 |

Note: Unless otherwise stated, the O&M Overview book exhibits include amounts from the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106) in the FY 2004 column. The FY 2005 column excludes amounts from Title IX, Additional War-Related Appropriations, FY 2005 DoD Appropriations Act (P.L. 108-287), funds from the Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraq Freedom Fund.

The Department of Defense's Operation and Maintenance (O&M) programs underpin the military readiness of the United States. America's military must be capable of responding effectively to crises in order:

- to protect our national interest;
- to demonstrate U.S. resolve; and
- to reaffirm the role of the United States as a global leader.

The U.S. forces must be able to execute the full spectrum of military operations -- from deterring aggression and coercion, to conducting concurrent smaller-scale contingency operations, to fighting and winning major theater wars.

To fulfill these roles, U.S. forces must be prepared and ready to execute their combat missions decisively. Resources dedicated to O&M reflect the Department's commitment to readiness. The Department's first-to-fight forces are the best in the world.

The funding amounts reflected in this Overview are expressed in Total Obligational Authority (TOA) terms. The term "TOA" includes Budget Authority and financing adjustments (e.g., transfers from unobligated balances), which comprise the total funding available for obligation in the appropriations included in the O&M Title. The summary table at the top of this page identifies the TOA for the appropriations included in the O&M Title. Some of the major changes from FY 2006 to FY 2007 are described below.

- The FY 2006 TOA for the O&M Title is \$147.8 billion, which reflects a net increase of \$7.5 billion above the FY 2005 funded level. This increase is made up of \$5.5 billion for pricing changes and \$2.1 billion (+1.5 percent) of net program increase. The primary drivers of the program increase are: (1) the shift from Procurement Integrated Logistics Support to Operations and Maintenance (O&M) Contract Logistics Support for the F/A 22 (\$0.6 billion) and C-17 (\$0.5 billion) aircraft; and (2) transfers from the Air Force procurement appropriations for support equipment costing less than \$250 thousand into O&M appropriations (\$.5 billion).

OPERATION AND MAINTENANCE TITLE SUMMARY

FY 2005 Baseline Total Obligation Authority and FY 2006 President's Budget Request

| (\$ in Millions) | | | |
|------------------|---------------|---------------|----------------|
| FY 2005 | | FY 2006 | |
| Baseline | Price | Program | Budget |
| <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Request</u> |
| 140,264.8 | +5,452.2 | +2,089.1 | 147,806.1 |

The FY 2006 TOA request for the O&M Title increases \$7.5 billion above the FY 2005 baseline funding and consists of a net increases of \$+5.5 billion in price growth and \$+2.1 billion in program growth. Overall, the request grows by 5.4 percent.

The following narrative and the exhibits in the O&M Overview Book discuss the price and program changes from the FY 2005 baseline TOA.

PRICE CHANGES

Price growth reflects the additional cost of executing the previous year's program at the next year's prices. In general, price growth amounts are estimated by applying price change rates to amounts budgeted for various commodity groups (i. e., civilian pay, Working Capital Fund purchases, medical supply purchases, general non-personnel purchases, etc.). The FY 2006 price growth is \$5.5 billion. Rates used for the major commodity groups follow:

For civilian pay, the FY 2006 price growth is based on annualization of the FY 2004 pay raises for General Schedule and wage board employees to include locality increases, which were effective January 1, 2004, and the portion of the FY 2005 pay increases scheduled to become effective January 1, 2005. It also provides for foreign national employee pay raises at the rates the host countries provided to public sector personnel. For FY 2006, the budgeted pay raise increase is 2.3 percent for General Schedule and wage board employees and is projected to be effective January 1, 2006.

Consistent with Office of Management and Budget (OMB) direction, the general non-personnel purchase rate is 2.0 percent for FY 2006.

OPERATION AND MAINTENANCE TITLE SUMMARY

The FY 2006 fuel prices for purchases from the Working Capital Fund increase 9.7 percent in FY 2006 based on world fuel market prices. With these rates, Working Capital Fund customers will pay an average cost per barrel of \$61.74 in FY 2006. The average price in FY 2005 is \$56.28 per barrel. The FY 2006 customer fuel prices are based on revised estimates of fuel purchase inflation provided by OMB.

Other Working Capital Fund rates change by business activity group and vary from year to year. The following list of FY 2006 rate changes represents those business areas that account for the vast majority of orders from O&M customers:

| <u>Working Capital Fund Activity Group</u> | Rate Change (Percent) |
|---|----------------------------------|
| Army Managed Supplies, Materials, and Equipment | +2.50 |
| Navy Managed Supplies, Materials, and Equipment | +7.70 |
| Air Force Managed Supplies, Materials, and Equipment | +5.74 |
| Defense Logistics Agency (DLA) Managed Supplies, Materials, and Equipment | +1.20 |
| Army Depot Systems Command – Maintenance | +0.70 |
| Army Ordnance Depot Maintenance | +0.70 |
| Naval Aviation Depots | +0.54 |
| Naval Shipyards | +5.70 |
| Marine Corps Depot Maintenance | -2.81 |
| Air Force Depot Maintenance (Organic) | +1.60 |
| Navy Civil Engineering Services | +1.60 |
| Military Sealift Chartered Cargo | -1.00 |
| Air Mobility Command Channel Cargo | +2.00 |
| Air Mobility Command Passenger | +2.00 |
| Air Mobility Command Training | +38.00 |
| DLA Distribution Depots | +7.90 |
| DLA Fuel | +9.70 (varies) |
| Document Automation and Production Services | -1.00 |
| Defense Finance and Accounting Service | -2.70 |
| Defense Information Systems Agency (DISA) – Defense Computing Centers | -1.00 |
| DISA – Defense Communication Services – GIG-BE/DISN | -13.10 |
| DISA – Reimbursable Services | +1.70 |

OPERATION AND MAINTENANCE TITLE SUMMARY

PROGRAM CHANGES

Air Operations

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------------|-------------------------|---------------------------|------------------------|-------------------------|---------------------------|------------------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| <u>Actual</u> | | | <u>Estimate</u> | | | <u>Estimate</u> |
| 31,662.5 | 1,946.3 | -4,455.7 | 29,113.1 | 1,814.6 | 2,295.4 | 33,223.1 |

The Air Operations program finances the cost to maintain aircraft and to train pilots to achieve and maintain flying proficiency in support of the national military strategy. Air Operations consists of two main functions:

- (1) flying hours, also called Operating Tempo (OPTEMPO); and
- (2) support, including depot maintenance.

The flying hour program is based on pilot training syllabuses, which are used to estimate the number of training hours needed to achieve and to maintain aircrew skill levels.

The FY 2006 budget request of \$33.2 billion for the Air Operations program reflects a net program increase of \$4.1 billion (+14.1 percent) above the FY 2005 funding level. The FY 2006 increase funds a pricing change (+6.2 percent) and the Services' flying hour requirements to meet readiness and training goals (+7.9 percent). Major program changes include:

- Air Force: Funding transfers in for C-17 Contractor Logistics Support Transition from Interim Contractor Support (\$0.6 billion), fund restoration from the Transportation Working Capital Fund (\$0.5 billion), an increase in classified programs (\$0.3 billion), increase to enhance Predator intelligence capabilities (\$0.1 billion), funding transfers in from procurement for the F/A-22 (\$0.5 billion); and the equipment transformation initiative (\$0.2 billion);.
- Navy: Funding transfers in of Fleet Flying Hour and other support from Fleet Air Training and the remaining transfer of Strategic Communications flight hour funding from Combat Communications, along with increased FY 2006 fuel rates and various pricing and programmatic adjustments associated with type/model/series flight hours changes and aircraft inventory (\$0.2 billion). The increases are offset by a decrease to Flight Training for Pilot Training Rate/Naval Flight Officer Training Rate in conjunction with the implementation of the Human Capital Strategy, which, as implemented by the Navy, will reutilize approximately 15% of non-flying O-3/O-4/O-5's in filling required Fleet sea duty flying billets commensurate with the latest Inventory Production Plan (IPP) (\$-.1 billion).

OPERATION AND MAINTENANCE TITLE SUMMARY

Land Forces

| (\$ in Millions) | | | | | | |
|---------------------------------|-------------------------|---------------------------|----------------|-------------------------|---------------------------|----------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| Actual 5,185.6 | 98.1 | -1,318.6 | 3,965.1 | 117.6 | -579.8 | 3,502.9 |

The Land Forces program includes funding to train and to sustain active Army and Marine Corps ground combat forces. The Army's program includes units assigned to heavy, airborne, air assault and light division; corps combat units. The Marine Corp program includes divisions, service support groups, helicopter groups, and light anti-aircraft missile battalions that constitute the Marine air-ground team and Marine security forces.

The FY 2006 budget request of \$3.5 billion for Land Forces programs reflects a program decrease of \$0.6 billion (-14.6 percent). Major program changes include:

- Army: decrease in training events in ground OPTEMPO programs due to the non-availability of units participating in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) (\$-0.4 billion).
- Marine Corps: realignment of Navy Marine Corps Intranet resources to BOS for central management of the program, and removal of one-time FY 2005 Congressional adds (\$-0.2 billion).

Ship Operations

| (\$ in Millions) | | | | | | |
|---------------------------------|-------------------------|---------------------------|----------------|-------------------------|---------------------------|----------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| Actual 8,615.6 | 551.8 | -951.2 | 8,216.2 | 400.4 | -92.7 | 8,523.8 |

The Ship Operations programs include OPTEMPO as well as depot maintenance and support. The FY 2006 budget request of \$8.5 billion includes a net program decrease of \$0.93 billion (-1.0 percent) that is due primarily to the decrease in the number and scope of ship availabilities and a corresponding reduction to ship depot maintenance operations support.

OPERATION AND MAINTENANCE TITLE SUMMARY

Mobilization

| (\$ in Millions) | | | | | | |
|-------------------------|-------------------------|---------------------------|-----------------|-------------------------|---------------------------|-----------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| Actual | | | Estimate | | | Estimate |
| 6,015.0 | 223.6 | -2,486.6 | 3,752.0 | 247.3 | 1,106.7 | 5,106.0 |

The Mobilization program provides for airlift and sealift capability to deploy combat forces and materiel in contingencies by providing funding to maintain an inventory of immediately available supplies and equipment to sustain the forces as outlined in the National Military Strategy.

The FY 2006 budget request of \$5.1 billion for the Mobilization program reflects a net program increase of \$1.1 billion (+29.0 percent) above the FY 2005 funded level. The two primary drivers of the program increase are: (1) \$0.7 billion funding a funding restoral from the Transportation Working Capital Fund (TWCF) for Mobilization which is a subset of the total restoral (\$967.2 million) directed in Section 8123 of the FY 2005 DoD Appropriations Committee Conference Report and (2) \$0.6 billion transfer into Operation and Maintenance, Air Force, from Procurement, Air Force for C-17 transition from Interim Contractor Support (ICS) to Contractor Logistics Support (CLS) per the C-17 Globemaster III Sustainment Partnership (GSP) program. The primary driver of the program decreases is a reduction to Navy's Reactor Compartment Encapsulation/Disposal and Hull Recycling program and its Submarine Inactivations/Disposals program (\$-0.1 billion).

Depot Maintenance

| (\$ in Millions) | | | | | | |
|-------------------------|-------------------------|---------------------------|-----------------|-------------------------|---------------------------|-----------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| Actual | | | Estimate | | | Estimate |
| 11,925.8 | 594.5 | -1,310.3 | 11,210.0 | 121.8 | 3.2 | 11,335.0 |

The Depot Maintenance program funds the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts

OPERATION AND MAINTENANCE TITLE SUMMARY

provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to the Reserve Components.

The FY 2006 budget request of \$11.3 billion reflects a net program increase of \$.003 billion (+0.03 percent) from the FY 2005 funding level. Major program changes include:

- The Army program includes maintenance increases for aircraft and combat vehicles, communication equipment, and other heavy equipment that are offset by program decreases for the Business Reengineering Initiative (\$0.2 billion);
- The Navy program decreases as a result of a decrease in the number of ships undergoing maintenance and a decrease in the scope of anticipated repairs. The Navy Aircraft depot maintenance reflects a decrease in standard depot level maintenance (SDLM) repairs, phased depot maintenance (PDM) repairs, engine overhauls, and other maintenance actions (\$-0.1 billion); and
- The Air National Guard maintenance program includes a reduction attributed primarily to reduced programmed depot maintenance (PDM) requirements for the KC-135E/R, C-141, and F-15A aircraft. The program decreases were partially offset by increased PDM for the KC-135R and engine overhauls and increased engine overhauls for the E-8 JSTARS, F-15 A/B, C-130E, and F-16 C/D (\$-0.2 billion).

Transportation

| <u>(\$ in Millions)</u> | | | | | | |
|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| 2,678.2 | -93.4 | -1,748.0 | 836.8 | -5.9 | 313.3 | 1,143.8 |

The Transportation program provides for the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. In FY 2006, total DoD transportation costs are \$1.1 billion, a net increase of \$0.3 billion from the FY 2005 estimate of \$0.8 billion. This net increase includes a price decrease of \$-5.9 million and a net program increase of \$0.3 billion (+37.4 percent). The price change is due to both the different mix in the types of transportation procured and changes in the Working Capital Fund approved transportation rates.

OPERATION AND MAINTENANCE TITLE SUMMARY

Training and Education

| (\$ in Millions) | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 7,077.2 | 219.0 | -116.8 | 7,179.4 | 225.8 | 128.5 | 7,533.6 |

The Training and Education program finances the operation of training centers, Service schools, and scholarship programs, which are necessary to acquire and to maintain a trained force of personnel capable of supporting DoD's military units, ships, aircraft, and installed weapon systems. Also included are resources to finance base support activities and facility sustainment.

The FY 2006 budget request of \$7.5 billion includes program growth of \$0.1 billion (+1.7 percent). Major program increases include:

- Army Defense Language Program – reduce student to instructor ratio, increase classrooms, improve curricula (\$+59.1 million); and
- Navy functional transfers from multiple activity groups to more accurately account for Specialized Skill Training costs (\$+40.7 million).

Recruiting, Advertising, and Examining

| (\$ in Millions) | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 1,431.3 | 27.3 | -59.1 | 1,375.7 | 28.9 | 28.5 | 1,433.1 |

The Recruiting, Advertising, and Examining program provides funds to support the recruiting commands and stations throughout the United States, to finance the costs for local, regional, and national advertising to support the procurement and retention of quality enlisted and officer personnel, and to support the U.S. Military Entrance Processing Command to process all enlisted personnel entering active duty.

The FY 2006 budget of \$1.4 billion maintains virtually the same funding level as FY 2005. The net program increase is \$0.03 billion and reflects increases for recruiting costs, and decreases in advertising and examining costs.

OPERATION AND MAINTENANCE TITLE SUMMARY

Base Support

| (\$ in Millions) | | | | | | |
|-------------------------|-------------------------|---------------------------|------------------------|-------------------------|---------------------------|------------------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 19,847.4 | 618.7 | -3,368.1 | 17,098.0 | 331.0 | 889.5 | 18,318.5 |

The Base Operating Support (BOS) program provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments. These resources sustain mission capability, ensure quality-of-life, enhance work force productivity, and fund personnel and infrastructure support.

The FY 2006 budget request of \$18.3 billion includes program growth of \$0.9 billion (+5.2 percent). Major program changes include:

- Army: The program decrease reflects anticipated savings from the Army Business Reengineering Initiative. Program increases are for: contract security guards; utility cost increases and utility upgrades required as a result of utilities privatization; and for critical base operations services needed to adequately support soldiers, families, and infrastructure (net program change of \$-0.1 billion);
- Navy: The program increases include: additional funding to support the Navy's installation readiness goals; implementation costs for utilities privatization; increased funding for the Morale, Welfare, and Recreation (MWR) program (net program change of \$0.2 billion);
- Air Force: Program growth is due to increases for: base services related supplies and contracts; funding for various quality of life enhancements such as Child Development Centers, gymnasiums, and food service equipment; increased funding for commercial transportation; increased funds for maintenance, sustainment, and modernization of base communication infrastructure; additional equipment and facility maintenance contracts; increase in funding for base maintenance contracts; and competitive sourcing and privatization programs (net program change of \$0.4 billion); and
- Marine Corps: The program growth reflects increases for: additional funding for the Marine Corps' initiative to transition to a more cost effective workforce mix by converting "non-military essential" base support positions to either Marine Corps civilians or private sector contractors; the realignment of resources for the Navy Marine Corps Intranet (NMCI) from multiple activity groups to BOS (net program change of \$0.3 billion).

OPERATION AND MAINTENANCE TITLE SUMMARY

Command, Control, and Communications

| (\$ in Millions) | | | | | | |
|------------------|------------------------|--------------------------|-----------------|------------------------|--------------------------|-----------------|
| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 |
| <u>Actual</u> | | | <u>Estimate</u> | | | <u>Estimate</u> |
| 4,792.7 | 56.5 | -706.1 | 4,143.1 | 94.6 | 566.4 | 4,804.2 |

The Command, Control, and Communications (C3) program finances base level and worldwide communication networks for voice, data, and imagery traffic to ensure responsive support to U.S. forces.

The FY 2006 budget request of \$4.8 billion includes a net program increase of \$0.6 billion (+13.7 percent) above the FY 2005 funded level. Major program changes include:

- Sustaining Base Communications: The Air Force increases funding for heightened emphasis on improving Defense Information Operations and for the Global Information Grid (GIG) Bandwidth Expansion (\$0.2 billion).
- Command and Control: The Air Force increases funding for National programs to support, improve, and sustain radars to monitor air space over North America, Operational programs are increased in support of several programs key to increasing reliance on satellite communication systems for command and control missions, and Tactical programs are increased to support Greenland Home Rule. The Defense-Wide budget increases funding to support system architecture and engineering improvements, and the development, integration, fielding, operation and maintenance of the Global Combat Support System by the Defense Information Systems Agency (DISA) (\$0.2 billion).
- C3 Related: The Air Force increases funding for the conversion of air traffic controller positions from military authorizations to civilian positions and for additional repairs and refurbishment of aging Air Traffic Control systems, and increases funding for Battlefield Airmen Individual Equipment. The Defense-Wide increases reflect funding for Information Assurance initiatives by the DISA designed to enhance information assurance programs (\$0.1 billion).

OPERATION AND MAINTENANCE TITLE SUMMARY

Facilities Sustainment, Restoration, and Modernization (SRM) and Demolition

| (\$ in Millions) | | | | | | |
|------------------|------------------------|--------------------------|---------|--------------------------|--------------------------|---------|
| FY 2004 | Price <u>Actual</u> | Program <u>Change</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Change</u> | FY 2006 |
| 6,670.0 | 132.0 | 422.0 | 7,224.0 | 221.0 | -252.0 | 7,193.0 |

The Facilities Sustainment, Restoration, and Modernization (SRM) and Demolition programs provide funds to support two distinct efforts. The SRM program (formerly called “Real Property Maintenance”) provides funds to maintain facilities, to restore facilities whose age is excessive or have been damaged, and to improve facilities to accommodate new functions or mission. The demolition program provides funds to demolish and dispose of obsolete and excess structures.

The FY 2006 budget request of \$7.2 billion includes price growth of \$0.2 billion and a net program decrease of \$0.3 billion (-3.5 percent) below the FY 2005 funding level. Major program changes include:

- The Army request reflects a net decrease of \$5 million from the FY 2005 funding level: \$+79 million in price growth and -\$84 million in program growth. The Army’s request also includes \$24.1 million for its demolition program, which reflects an increase of \$.6 million from the FY 2005 funded level.
- The Navy request reflects a net increase of \$26 million from the FY 2005 funding level: \$+16 million in price growth and \$+10 million in program growth. The net program increase in FY 2006 is necessary to maintain facilities sustainment at 95 percent of requirement. The Navy request includes \$47.0 million for demolition, which reflects price growth of \$1.0 million over the FY 2005 funded level.
- The Air Force request reflects a net decrease of \$34 million from the FY 2005 funding level: \$+77.0 million in price growth and -\$111 million decreased in program growth. The FY 2006 program achieves a 95 percent sustainment level and funds critical annual maintenance and repair activities.
- The Marine Corps request reflects a net increase of \$57 million from the FY 2005 funding level: \$+9 million in price growth and \$+48 million (+10.0 percent) in program growth. The program growth reflects the additional requirement associated with an increase in the square footage of facilities.

OPERATION AND MAINTENANCE TITLE SUMMARY

Defense-Wide

| (\$ in Millions) | | | | | | |
|------------------|------------------------|--------------------------|-----------------|------------------------|--------------------------|-----------------|
| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 |
| <u>Actual</u> | | | <u>Estimate</u> | | | <u>Estimate</u> |
| 20,325.0 | 558.0 | -2,935.0 | 17,948.0 | 453.0 | 52.0 | 18,453.0 |

The Operation and Maintenance, Defense-Wide appropriation provides funding to support a wide range of essential programs that are critical to the accomplishment of the missions of the Military Departments. Consolidation of these functions has achieved maximum efficiency by avoiding overlap and duplication among the Military Departments. These programs include special operations forces, intelligence activities, audit and contract management activities, treaty implementation, nuclear weapons management and analysis, dependents' education, civilian and military personnel support, and management support for the Department.

The FY 2006 budget request of \$18.5 billion for the O&M, Defense-Wide appropriation includes a net program decrease of \$0.3 billion (-2.3 percent). The Coalition Support funds carried over into FY 2005 from the FY 2004 Emergency Supplemental Appropriation are the primary driver of the program decrease between the FY 2005 revised estimate and the FY 2006 budget request. The major program increase is \$1.1 billion for classified programs.

Defense Health Program

| (\$ in Millions) | | | | | | |
|------------------|------------------------|--------------------------|-----------------|------------------------|--------------------------|-----------------|
| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 |
| <u>Actual</u> | | | <u>Estimate</u> | | | <u>Estimate</u> |
| 17,769.5 | 979.6 | -572.6 | 18,176.5 | 1,055.6 | 559.5 | 19,791.6 |

The medical mission of the Department of Defense (DoD) is to enhance DOD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to our care. The Defense Health Program (DHP) appropriation supports worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, graduate medical education for the training of medical personnel, and occupational and

OPERATION AND MAINTENANCE TITLE SUMMARY

industrial health care. The FY 2006 O&M DHP budget request of \$19.2 billion includes price growth of \$1.0 billion and a net program increase of \$0.9 billion. Major changes include:

- Increase for military to civilian/contractor personnel in support of the Department's Relieving Stress on the Force initiative (\$0.2 billion);
- Increase in resource sharing support (\$0.1 billion);
- Increase for pharmacy program growth due to increased utilization and the entry of new drugs into the market place, and increase in dental readiness for the active force to Dental Class I (\$0.1 billion);
- Increase in the private sector care due to the higher demands for healthcare and increased beneficiary utilization of the Military Healthcare System (\$0.6 billion); and
- Decrease due to the reduction of one-time Congressional increases in FY 2005 (\$-0.1 billion).

Former Soviet Union Threat Reduction

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|------------------------|--------------------------|-----------------|------------------------|--------------------------|-----------------|
| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 |
| <u>Actual</u> | | | <u>Estimate</u> | | | <u>Estimate</u> |
| 448.6 | 9.0 | -49.4 | 408.2 | 8.5 | -1.2 | 415.5 |

The Former Soviet Union (FSU) Threat Reduction appropriation provides resources to address the threat from, and potential proliferation of, the FSU arsenal of weapons of mass destruction (WMD) associated materials and expertise. The FY 2006 budget request of \$0.4 billion for the FSU Threat Reduction appropriation reflects a net program increase of \$7.3 million, which is primarily due to price changes.

OPERATION AND MAINTENANCE TITLE SUMMARY

Defense Environmental Restoration

| (\$ in Millions) | | | | | | |
|---------------------------------|-------------------------|---------------------------|----------------|-------------------------|---------------------------|----------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| Actual 3,895.1 | 77.9 | -36.3 | 3,936.7 | 82.5 | -84.8 | 3,934.4 |

The Defense Environmental Restoration Program consists of five transfer appropriations that the Congress established to provide for: the identification, investigation, and cleanup of past contamination from hazardous substances and wastes; correction of other environmental damage; detection of unexploded ordinances; and the demolition and removal of unsafe buildings, structures at active installations and Formerly Used Defense Sites (FUDS).

The FY 2006 budget request of \$1.4 billion includes a net program reduction of \$10.7 million (-0.8 percent). The program decrease is primarily attributable to a one-time congressional increase to the FUDS account in FY 2005.

Overseas Contingency Transfer Fund

| (\$ in Millions) | | | | | | |
|-----------------------------|-------------------------|---------------------------|----------------|-------------------------|---------------------------|----------------|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| Actual 5.0 | - | 5.0 | 10.0 | - | 10.0 | 20.0 |

The Overseas Contingency Transfer Fund (OCOTF) is a transfer appropriation that the Congress established to finance contingency operations since these operations are dynamic and unpredictable. As a transfer appropriation, the OCOTF provides the Department with the flexibility to provide funds in the year of execution to the Components for contingency operations costs. The FY 2006 budget request for OCOTF is \$20.0 million and reflects a net program increase of \$10.0 million. New contingency requirements continually surface due to the dynamic international situation. The Military Departments, because of their relatively large Operation and Maintenance (O&M) accounts, are generally able to accommodate these new costs for a short time until other funding is available. However, the Defense Agencies, most notably the U.S. Special Operations Command (USSOCOM), and the combat support Defense Agencies, are less able to absorb the diversion of funds for these unforeseen contingency operations, making the contingency fund vitally important.

OPERATION AND MAINTENANCE TITLE SUMMARY

Drug Interdiction and Counterdrug Activities

| (\$ in Millions) | | | | | | |
|-------------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| Actual | Change | Change | Estimate | Change | Change | Estimate |
| 953.3 | 17.0 | -63.8 | 906.5 | 18.7 | -29.5 | 895.7 |

The DoD Counterdrug (CD) program supports the counterdrug objective directed in the President's National Security Strategy of the United States, "...to reduce the flow of illegal drugs into the United States by encouraging reduction in foreign production, combating international traffickers, and reducing demand at home." The CD program is funded in the Drug Interdiction and Counterdrug Activities, Defense appropriation, which is a central transfer account that finances all DoD CD resources except for those resources required for the Services Active military personnel, Service operating tempo, and CD military construction. The FY 2006 budget request of \$0.9 billion maintains approximately the same baseline funding as that of FY 2005.

ARMY

(\$ in Millions)

| FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| 55,870.8 | 290.9 | -30,872.0 | 25,289.7 | 761.3 | -734.4 | 25,316.6 |

Includes the FY 2004 Supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds.

Excludes FY 2005 war-related and disaster Supplemental funds.

The Operation and Maintenance (O&M), Army appropriation provides for the day-to-day operations of units, schools and power projection platforms, which in combination support a strategically ready force. The appropriation finances the Army's capability to develop tough, realistic training; provide maintenance of equipment and facilities; and provide the highest possible quality-of-life for Soldiers and their families. To ensure high levels of military readiness, these O&M resources directly support the following major categories of mission operations:

- Operating Tempo (OPTEMPO)
- Training Enablers
- Institutional Training and Recruiting
- Mobility Operations
- Base Operations Support (BOS)
- Facilities Sustainment, Restoration, and Modernization (FSRM)
- Logistics Operations
- Servicewide Support

Overall Assessment

The FY 2006 O&M budget supports balanced priorities for Army forces that are simultaneously at war and transforming. The FY 2006 budget does not include any funding requests associated with active operations related to the Global War on Terror (e.g., additional end-strength, modular conversion, resetting the force, and contingency operations) or other potential future operations. This budget supports the needs of soldiers as they prepare to fight and win our nation's wars.

ARMY

FY 2006 Budget Request

The FY 2006 O&M budget request of \$25,316.6 million increases by \$26.9 million above the FY 2005 program. The increase includes a net price growth of \$761.3 million (i.e., inflation and pay raises) and a net program decrease of \$734.4. The program changes include net transfers-in totaling -\$26.4 million and net program decreases of \$708.0 million (-3 percent). A primary component of the decrease is savings from the Army's Business Reengineering initiative. The current estimates for FY 2005 and FY 2006 do not include any supplemental or other financial support for the Operating Enduring Freedom (OEF) or the Operation Iraqi Freedom (OIF).

The FY 2006 budget request:

- Reflects the Army's commitment to achieve savings through business reengineering initiatives.
- Fully executes the Army OPTEMPO strategy for those units not committed to OEF and OIF.
- Properly funds training enablers and various mission-oriented readiness requirements.
- Increases depot maintenance to enable the Army to sustain current operational needs and fully funds the Recapitalization Program.
- Maintains facilities sustainment funding at FY 2005 levels.

Budget Activity 1: Operating Forces

(\$ in Millions)

| FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| 44,028.7 | 55.8 | -28,394.1 | 15,690.4 | 530.1 | -918.1 | 15,302.4 |

Includes the FY 2004 Supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds.

Excludes FY 2005 Supplemental funds.

The Operating Forces budget activity consists of three activity groups: Land Forces, Land Forces Readiness, and Land Forces Readiness Support. Funding in this budget activity:

- Supports day-to-day operations and readiness training activity levels of the Army's active combat forces.

ARMY

- Provides resources for distinct facets of the operating forces (e.g. divisions, corps combat forces, corps support forces, and echelon above corps forces) and special force related training activities (i.e., Combat Training Centers (CTCs)).
- Supports an improved ground OPTEMPO strategy to reflect Major Command (MACOM) unique missions and geographical peculiarities (e.g., availability of maneuver areas and combat training centers) and availability of simulators (i.e., Close Combat Tactical Trainer (CCTT) and Unit Conduct of Fire Trainer (UCOFT)).
- Continues to fund the Flying Hour program at the highest historical peacetime training level of 13.1 live flying hours per crew per month.
- Fully funds the Army's FY 2006 participation in the Joint National Training Capability (JNTC) events that will extend DoD's world-class training advantage and ensure that the needs of regional Combatant Commanders are met.
- Supports key activities essential to operational readiness, such as depot maintenance, participation in joint exercises, and combat development.
- Provides for infrastructure maintenance and support, management headquarters, unified command support, and special activities of the operating forces to include contingency operations (CONOPS).

Major changes in the FY 2006 budget request of \$15,302.4 million include:

- Decrease in OPTEMPO as a result of a decrease in training events in both ground and air OPTEMPO programs for units participating in OEF/OIF (\$-1,138.8 million).
- Decrease in multiple Subactivity Groups for the Business Reengineering Initiative (\$-743.7 million).
- Reduced funding for contingency operations in the Balkans based on the lower troop levels specified by the North Atlantic Treaty Organization (NATO) (\$-102.4 million).
- Increase in depot maintenance to sustain operational readiness fully fund the recapitalization program (\$+275.2 million).
- Improvement in force protection and soldier survivability (\$+57.5 million), increased capability and equipment for chemical, biological, radiological, nuclear and high yield explosives (CBRNE) response (\$+35.1 million), and the Rapid Fielding Initiative (\$+102.8 million).
- Increase in Base Operations Support (BOS) (\$+42.7 million) to maintain high quality of life for military personnel and their families (such as child care and counseling) and to prevent execution problems. Adds funding (\$+103.4 million) for contract security guards funded through supplemental appropriations in previous fiscal years. Increases funding (\$+65.7 million) for utilities/utilities privatization. Increased rates for pay, travel and accounting services (\$+69.6 million).
- Increase in funding (\$+102.1 million) for training range operations. The increase reflects costs for training range maintenance and repair, upgrade projects, modifications, and increased sustainability management.
- Increased funding for repair parts (\$+72.7 million).
- Increase in contractor logistics support for systems such as Stryker, High Mobility Artillery Rocket System (HIMARS) and Multiple Launch Rocket System (MLRS) (\$+28.3 million).

ARMY

Budget Activity 2: Mobilization

(\$ in Millions)

| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 |
|---------------|------------------------|--------------------------|-----------------|------------------------|--------------------------|-----------------|
| <u>Actual</u> | <u>13.4</u> | <u>-137.3</u> | <u>Estimate</u> | <u>17.5</u> | <u>-72.8</u> | <u>Estimate</u> |
| 536.2 | | | 412.3 | | | 357.0 |

Includes the FY 2004 Supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds.

Excludes FY 2005 Supplemental funds.

The Mobilization budget activity includes three activity groups supporting the Army's Mobility Operations: Strategic Mobilization, Army Prepositioned Stocks (APS), and Industrial Preparedness. Funding in this budget activity provides:

- Capability to immediately deploy and sustain a Division-sized Corps with its associated force structure to any emergency crisis worldwide. The program includes the activation and upload of Large, Medium Speed Roll-On/Roll-Off (LMSR) ships for the preposition afloat set, an aggressive Sea Emergency Deployment Readiness Exercise program, and container procurements.
- Capability to power project from CONUS, Europe, Southwest Asia, South Korea, Japan, Hawaii and to trouble spots anywhere in the world.
- Industrial analysis to help the Army obtain end item and repair part support (excluding ammunition).

The most significant changes in the FY 2006 budget request of \$357.0 million are:

- The Army's Power Projection Program (AP3) (\$-53.7 million) decreases as the result of two ships being taken out of service and the elimination of maintenance costs for stocks that will not be used in current operations.
- The Army's Prepositioned Stocks Program (\$-4.1 million) anticipates reduced cost in Care of Supplies Storage and reduced cyclic maintenance cycles of ships.

ARMY

Budget Activity 3: Training and Recruiting

(\$ in Millions)

| FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| 3,153.7 | 55.9 | 52.1 | 3,261.7 | 71.7 | 200.7 | 3,534.1 |

Includes the FY 2004 Supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds.
Excludes FY 2005 Supplemental funds.

The Training and Recruiting budget activity supports three broad mission areas:

- Accession Training,
- Basic Skills and Advanced Training, and
- Recruiting and Other Training and Education.

Accession Training operations produce the enlisted and officer personnel needed to meet total force requirements. Officer accessions receive indoctrination training through the United States Military Academy (USMA), U.S. Military Academy Preparatory School (USMAPS), and the Officer Candidate School (OCS).

Basic Skills and Advanced Training includes specialized skill, flight training, professional development education, and training support. Recruiting and Other Training and Education supports the recruiting and advertising programs needed to fulfill the Army personnel requirements. Other training programs cover civilian education and training, tuition assistance for active duty personnel, and the Junior Reserve Officer Training Corps.

Major changes included in the FY 2006 budget request of \$3,534.1 million are:

- Increased funds for the Defense Language Institute (\$+59.1 million). Funding will enable the Army to achieve greater proficiency across the force, reduce student backlog, and establish a pre-deployment language course.
- Increased funds for flight training (\$+45.7 million). Funding will enable improvements to the program of instruction and reduce the student backlog.
- Increased funds for Basic Skill and Advanced Training (\$+65.1 million). Funding is for increased repair costs as a result of increased usage and aging parts and equipment.

ARMY

- The Army Civilian Intern Program increase in FY 2006 (\$+51.7 million). Participation in entry-level programs is increasing in anticipation of projected losses in the civilian workforce due to retirements beginning in FY 2006.

Budget Activity 4: Administration and Servicewide

(\$ in Millions)

| FY 2004 | Price <u>Actual</u> | Program <u>Change</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Change</u> | FY 2006 |
|---------|------------------------|--------------------------|---------|--------------------------|--------------------------|-----------------|
| | | | | | | <u>Estimate</u> |
| 8,152.2 | 165.7 | -2,392.6 | 5,925.3 | 142.0 | 55.9 | 6,123.2 |

Includes the FY 2004 Supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds.

Excludes FY 2005 Supplemental funds.

The Administration and Servicewide Activities budget activity funds four broad mission areas: Security Programs, Logistic Operations, Servicewide Support, and Support to Other Nations. These resources finance the administration, logistics, communications, and other servicewide support functions required to secure, equip, deploy, transport, sustain and support Army forces.

- The Security Programs budget supports intelligence and security efforts through the National Foreign Intelligence Program, Joint Military Intelligence Program, Security and Intelligence Activities, Personnel Security Investigations, and Arms Control Treaty Implementation.
- The Logistics Operations program resources movement of Army materiel worldwide and manages end items, ammunition and logistics support activities.
- Servicewide Support resources Army Management Headquarters Activities, the Army Claims program, and servicewide telecommunications, information systems and personnel programs.
- The Support to Other Nations programs fulfill our commitment to the North Atlantic Treaty Organization and supports Combatant Commander's security cooperation strategies.

Major changes included in the FY 2005 budget request of \$6,123.2 million are:

- Decrease in multiple Subactivity Groups for the Business Reengineering Initiative (\$-519.3 million).
- Increase in Sustainment Systems Technical Support (SSTS) (\$+116.4 million). Funding pays for engineering services and sustainment of: Aviation, Avionics, Air Armament subsystems; Missile Systems; Tactical and Combat vehicles; and other combat/support systems.

ARMY

- Increase for other service support based on execution of accounting services provided by the Defense Finance and Accounting Service (DFAS) (\$+22.7 million).
- Increase for servicewide communications (\$+168.6 million). Funding supports Army biometrics, USSTRATCOM Management Center, computer security, Army's portion of the Defense Communications System, and Long Haul communications.

NAVY

(\$ in Millions)

| FY 2004 | Price <u>Actual</u> | Program <u>Change</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Change</u> | FY 2006 |
|----------|------------------------|--------------------------|----------|--------------------------|--------------------------|----------|
| 30,288.1 | +1,935.3 | -3,129.2 | 29,094.2 | +958.2 | +707.5 | 30,759.9 |

Note: FY 2004 actual column includes the FY 2004 supplemental, transfers from the Iraqi Freedom Fund, and any FY 2004/2005 Title IX obligations.
FY 2005 excludes war-related and disaster supplemental funds.

The Operation and Maintenance, Navy (O&M, N) appropriation finances the day-to-day costs of operating naval forces, including fuel, supplies, and maintenance of ships, Navy and Marine Corps aircraft, related weapon systems, and the support establishment ashore. The primary focus of the Department's FY 2006 budget is to continue to ensure the readiness of deployed forces.

The FY 2006 estimate of \$30,759.9 million includes a price increase of \$958.2 million. This price increase primarily results from increases in general inflation changes (\$240.4 million), civilian pay (\$143.8 million) and fuel costs (\$143.2 million), Working Capital Fund (WCF) rate costs (\$427.4 million), and Transportation Rates (\$3.5 million). This budget reflects overall program increases of \$707.5 million.

Budget Activity 1: Operating Forces

| FY 2004 | Price <u>Actual</u> | Program <u>Change</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Change</u> | FY 2006 |
|----------|------------------------|--------------------------|----------|--------------------------|--------------------------|----------|
| 22,386.9 | +1,710.8 | -1,906.5 | 22,191.1 | +856.5 | +422.9 | 23,470.5 |

The Operating Forces budget activity funds the Navy's air operations, ship operations, combat operations/support, and weapons support programs. Included in this budget activity are the costs associated with operating Navy shore bases to support these missions. Also included are the funds required to maintain combat ready forces necessary to respond to national objectives in joint, naval and combined operations. This budget activity supports the forward presence and crisis response capabilities of the National Military Strategy.

The FY 2006 budget estimate of \$23,470.5 million includes a price increase of \$856.5 million and program increases totaling \$422.9 million (+1.9 percent). Major program changes include:

- **Air Operation** increases of \$359.3 million, including price growth of \$114.3 million. Major program changes include:
 - Cost per flying hour reflects increased costs of consumables and repairs (\$+226.0 million);

NAVY

- Reduced flying hours related to change in aircraft inventory (\$-37.0 million); and
- Implementation and deployment of Converged Enterprise Resource Planning (ERP) program and the consolidation of funding for the four existing ERP pilot programs (\$+56.0 million).
- **Ship Operation** increases of \$327.2 million, including price growth of \$396.4 million. Major program changes include:
 - Ship repair parts and consumables (\$+179.0 million);
 - Activation and steaming costs for new Military Sealift Command ships (\$+54.3 million);
 - Realignment of Aegis Training to Budget Activity (BA) 3 and the realignment of Joint Fires Network and Joint Service Imager Processing System to Weapons Support (\$-30.2 million);
 - Aegis and Amphibious ship life cycle support (\$-52.2 million); and
 - Ship Maintenance reflects the change in the number and complexity of ship maintenance actions (\$-220.1 million).
- **Facility Sustainment, Restoration and Modernization** increases by \$25.8 million, including price growth of \$15.8 million. Major program changes include:
 - Resources sustainment at 95% of requirement (\$+70.5 million); and
 - Transfer of civilian personnel to the Working Capital funded Public Works Centers (\$-60.5 million).
- **Base Support** increases by \$230.7 million, including price growth of \$65.7 million. Major program changes include:
 - Support base operations at the required capability levels including funding service craft overhauls, information technology improvements, safety program goals, additional real estate leases and hazardous material handling costs (\$+105.5 million);
 - Fund Morale, Welfare and Recreation at the capability level necessary to provide appropriate level of Quality of Life Support (+59.3 million);
 - Implementation costs for utilities privatization (\$+56.8 million); and
 - Transfer of civilian personnel to the Working capital funded Public Works Centers (\$-56.6 million).
- **Combat Operations and Support** increases by \$104.8 million, including price growth of \$76.0 million. Major program changes include:
 - Support additional Deployable Joint Command and Control units fielded to Combatant Commanders (\$+9.7 million);
 - Support the Chemical, Biological, Radiological, Defense program at Navy Fleet Activities (\$+12.6 million);
 - Navy's SEA TRIAL program, which conducts various war-gaming and experimentation exercises, to speed the development of new concepts and technologies related to future war fighting effectiveness (\$+7.8 million);
 - Purchase and maintenance support of Atmospheric Profilers and Oceanographic Sensors to support Naval meteorological and oceanographic mission functions (\$+5.5 million);
 - Landing Craft, Air Cushion transport system Life Cycle Support program. This requirement will provide for required system upgrades and corrosion repairs (\$+10.7 million);

NAVY

- Various C4I related requirements support the Navy's FORCEnet infrastructure, as more systems become operational during FY 2006 (\$+10.2 million);
 - Net program growth for various programs at the U.S. Joint Forces Command (\$+12.9 million);
 - Reductions to various programs at the U.S. Pacific Command, including reductions for various one-time FY 2005 program increases totaling more than \$13 million (\$-18.3 million);
 - Reduction in commercial satellite lease costs in conjunction with the on-going transition to military-owned satellites (\$-15.3 million);
 - Reduction in Navy and Marine Corps Intranet Fleet seat requirements (\$-20.1 million).
- **Weapons Support** increases by \$81.7 million, including price growth of \$38.2 million. Major program changes include:
 - Former Joint Fires Network and Joint Services Imagery Processing System-Navy programs' maintenance requirements (\$+10.5 million);
 - Post production support for Tomahawk MK-111 rocket motors (\$+8.4 million);
 - TRIDENT II Nuclear Weapon Security enhancements at Navy shore facilities (\$+28.6 million);
 - TRIDENT I logistics support and repair requirements due to the missile's C-4 system retirement (\$-3.9 million);
 - TRIDENT II logistics support requirements due to consolidation of its maintenance and accuracy-modeling infrastructures (\$-20.0 million);
 - Support of the Littoral Mine Warfare program to enhance the Improvised Explosive Device (IED) collection and exploitation capability (\$+17.8 million);
 - Reduction to the AEGIS Combat System program due to completion of the DDG-51 Modernization planning effort (\$-5.4 million); and
 - Reduction to the Close-In Weapons System depot, commercial, and organic maintenance programs (\$-22.0 million).

Budget Activity 2: Mobilization

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|------------------------|--------------------------|-----------------|------------------------|--------------------------|-----------------|
| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 |
| <u>Actual</u> | +29.2 | +52.1 | <u>Estimate</u> | 804.2 | -1.9 | <u>Estimate</u> |
| 722.9 | | | | | | 712.1 |

The Mobilization budget activity maintains assets that will support forces that rapidly respond to contingencies throughout the world. Also funded are the maintenance, overhaul, and calibration requirements of Navy-Type Navy-Owned (NTNO) equipment installed on Coast Guard ships and aircraft. Additionally, this program funds the inactivation of ships, submarines, and aircraft and includes the maintenance of selected inactive ships and aircraft as well as material disposal costs.

NAVY

The FY 2006 estimate of \$712.1 million includes a price decrease of \$1.9 million and program decreases totaling \$90.3 million (-11.2 percent). Major program changes include:

- One-time FY 2006 increase to fund changes in ship status from “reduced operating status” to “full operating status” of 365 per diem days for the USNS KOCAK, USNS PHILLIPS, USNS LOPEZ, and USNS BUTTON (\$+12.7 million);
- Reduction to storage facility and represervation requirements due to Navy aircraft inactivations (\$-4.6 million);
- Fund advance planning requirements for the inactivations of the LONG BEACH (CGN 9), SOUTH CAROLINA (CGN 37), MINNEAPOLIS/SAINT PAUL (SSN 708), HYMAN G. RICKOVER (SSN 709), and L.Y. SPEAR (AS 36) (\$+24.9 million);
- FY 2005 one-time increase for ship disposal costs (\$-7.1 million);
- Reduction in ship inactivation and decommissioning cost for conventional surface ships (\$-13.4 million);
- Slippage of the USS TRITON (SSN 586) reactor compartment disposal and hull recycling to FY 2008 (\$-24.9 million);
- Reduction in reactor compartment disposal and hull recycling costs in the nuclear surface ship inactivation program (\$-37.3 million); and
- Reduction in the reactor compartment disposal and hull recycling requirements in the nuclear submarine inactivation/disposal program (\$-42.3 million).

Budget Activity 3: Training and Recruiting

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|------------------------|--------------------------|---------|------------------------|--------------------------|----------------------------|
| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Actual 1,869.1 | +59.6 | +24.2 | 1,952.9 | +52.1 | +21.9 | 2,026.9 |

The Training and Recruiting budget activity funds all centrally managed or directed individual training required to meet Navy training standards. This includes accession training, basic skills training, and professional military education provided at the Naval War College, the Naval Postgraduate School, and the Armed Forces Command and Staff College. It also includes Navy recruiting and advertising, centralized civilian training programs, and the Junior Navy Reserve Officer Training Corps. Team training for ships of battle groups is funded in the BA-1 Operating Forces budget activity, as is all advanced and refresher flight training and aircraft carrier qualifications.

The FY 2006 budget estimate of \$2,026.9 million includes a price increase of \$52.1 million and program increases of \$21.9 million (+1.1 percent). Major program changes include:

- Phased classroom and laboratory upgrades to enhance engineering and technical programs at the U.S. Naval Academy (\$+5.5 million);
- Reduction in Pilot Training Rates/Naval Flight Officer Training Rates conjunction with the implementation of the Human Capital Strategy Initiative (\$-61.3 million);

NAVY

- One-time FY 2006 increase for start-up costs for the Navy Professional Military Education program (\$+2.6 million);
- Distance learning opportunities for programs at the Naval War College and the Naval Postgraduate School (\$+8.7 million);
- Fully fund the Human Performance Command, stood up during FY 2005, whose mission is to optimize Navy war-fighting performance by applying various new and proven technology to all facets of Naval operations (\$+15.9 million);
- Improved and enhanced Navy recruiting initiatives, vehicle surcharge costs, establishment of the Navy Sea Cadet Program, and Information Technology support for the initial operating phase of the Navy Recruit and Accessions Management System (\$+10.3 million);
- Navy's Off-Duty and Voluntary Education Tuition Assistance Program due to higher student participation and increasing college tuition costs (\$+4.6 million); and
- Testing and publication services for the Defense Activities for Non-Traditional Education Services (\$+3.7 million).

Budget Activity 4: Administrative and Servicewide Support

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|------------------------|--------------------------|---------|--------------------------|--------------------------|---------|
| FY 2004 | Price <u>Actual</u> | Program <u>Change</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Change</u> | FY 2006 |
| 5,309.1 | +135.7 | -1,299.0 | 4,145.9 | +51.6 | +352.9 | 4,550.4 |

The Administration and Servicewide Support budget activity funds shore based activities required for the effective operation of the Department of the Navy. The general services provided include administration and personnel support costs, engineering and acquisition support, security and investigative support, humanitarian and civic support, management of space and electronic warfare systems programs, and centralized transportation and communications costs.

The FY 2006 budget estimate of \$4,550.4 million includes a price increase of \$51.6 million and program increases of \$352.9 million (+8.5 percent). Major program changes include:

- Audit of FY 2007 financial statements by the DoD Inspector General (\$+14.9 million);
- Support of Navy-wide A-76 studies (\$+9.7 million);
- Navy Sea Warrior Program, which is the Human Resources component of the Navy Sea Power 21 Transformation Roadmap (\$+20.7 million);
- Navy Total Force Programming and Manpower requirements, and the Strategic Planning and Analysis Program (\$+4.4 million);
- Expected increases in personal property losses and pay benefit claims by Military Service members (\$+7.5 million);
- Costs associated with the civilian substitution of military billets for Navy Legal Service Office functions (\$+5.4 million);
- FY 2006 increase in cost for the Pentagon Reservation Maintenance Revolving Fund (\$+5.1 million);
- Projected increase in payments for Navy and Marine Corps Intranet incentive fees (\$67.9 million);

NAVY

- Additional Defense Information System Network connectivity costs to due to increasing NMCI seats implemented Navy-wide (\$+23.5 million);
- Cost increases for Tier 1 telecommunications services provided by the Defense Information Systems Agency (\$57.1 million);
- Additional costs associated with operating the Global Information Grid-Bandwidth Expansion program (\$+20.3 million);
- Long Haul communications and Tactical Switching Shore Infrastructure Modernization costs (\$+13.0 million);
- Various Navy-wide upgrades in security and cryptologic information protection, engineering, intrusion detection, and product assurance requirements at shore facilities world-wide (\$+16.5 million);
- Support the operations and maintenance of telephone switches and additional circuit charges and repris for Teleport Systems (\$+9.1 million);
- Fund In-Service Engineering Activity support for critical Fleet Ballistic Missile Control Systems Communications upgrades (\$+6.8 million);
- Restore full funding for Navy Servicewide Transportation for commercial mail shipment costs (\$+29.7 million);
- Physical security life cycle costs for security equipment at Navy shore installations world-wide (\$+12.7 million);
- Enhance Anti-Terrorism/Force Protection measures for Naval shore installations world-wide (\$+12.3 million);
- Costs to remove Defense Message System Legacy Multiplexers from Naval installations (\$+5.2 million); and
- Expand the Distributed Engineering Plant Strike Force Interoperability Capability (\$+5.0 million).

MARINE CORPS

| <u>(\$ in millions)</u> | | | | | | |
|--------------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 4,969.3 | +160.6 | -1,562.3 | 3,567.6 | +62.8 | +174.5 | 3,804.9 |

The Operation and Maintenance, Marine Corps appropriation provides the funding for Marine Corps missions, functions, activities, and facilities except for those requirements related to: procurement of major items of equipment and ammunition, military personnel, military family housing, operation and maintenance of the Marine Corps Reserve, and those functions supported by Navy-sponsored appropriations.

The funds contained in this appropriation are intended primarily for the support of the total active Marine Corps Forces. The primary Marine Corps objective is to train and maintain the Operating Forces at a high level of combat readiness for service with the fleet, ashore, or for such other duties as the President may direct.

The Operating Forces supported by this appropriation are composed of Marine Expeditionary Forces (Division/Wing/Force Service Support Group Task Organizations), including a combination of combat and combat service support organizations and a variety of supporting units. Funds are also provided to support two landing force training commands, Marine detachments afloat, the security forces assigned to Naval and other government activities ashore, maritime prepositioning ships, and Norway prepositioning.

Shore facilities receiving funding support from this appropriation are: three major bases; two recruit depots; eleven air installations; one Marine Corps Combat Development Command; one Marine Corps Systems Command; one Marine Corps Air-Ground Combat Center; and two Expeditionary Warfare Training Groups. These facilities are being maintained at standards that will permit effective utilization, avoid major replacement costs, and allow operation and maintenance on an economical and effective basis.

The individual training of enlisted personnel and officers from basic training to the highest Marine Corps technical training and the advanced training at schools of the other Services and at civilian institutions are funded in this appropriation. Such schooling is designed to produce highly trained and disciplined officers and enlisted personnel for duty with the Operating Forces, capable of leadership growth as well as effective performance.

This appropriation also supports the Marine Corps supply system. The principal objective of the supply system is to provide Marine activities/units with the proper material and equipment in the quantity, condition, time, and place required. Further, it supports other

MARINE CORPS

miscellaneous activities such as special training, second destination transportation of things, recruiting, equipment overhaul and repair, and miscellaneous expenses.

The FY 2006 O&M budget request of \$3,804.9 million reflects a net increase of \$237.3 million from the FY 2005 funding level. The change includes \$62.8 million in price growth and a \$174.5 million net increase in functional transfers and program changes. The detailed explanations of the transfers and program changes are explained below:

Budget Activity 1: Operating Forces

| (\$ in millions) | | | | | | |
|------------------|------------------------|--------------------------|---------|--------------------------|--------------------------|---------|
| FY 2004 | Price <u>Actual</u> | Program <u>Growth</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Growth</u> | FY 2006 |
| 3,844.2 | +137.3 | -1,373.5 | 2,608.0 | | +50.1 | 2,911.3 |

The Operating Forces budget activity is comprised of two activity groups: Expeditionary Forces and USMC Prepositioning.

The Expeditionary Forces activity group provides funding for the operating forces that constitute the Marine Corps Air-Ground Team and Marine security forces at naval installations and aboard naval vessels. The field logistics and depot maintenance programs in support of the operating forces are also funded in this activity group. In addition, base support functions for Marine Corps bases, camps, air stations and logistics bases supporting the Operating Forces; Quality-of-Life (QOL) programs such as Child Care, Youth Development and Family Service Centers; injury compensation payments; and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases are financed in this activity group.

The USMC Prepositioning activity group finances the Maritime Prepositioning Forces (MPF) program, the Geographic Prepositioned Force and the Aviation Logistics Support Ships (TAVB) program.

The FY 2006 budget request of \$2,911.3 million for Operating Forces reflects a net increase of \$+303.3 million from the normalized FY 2005 funding level. The increase includes \$+45.5 million in price growth, \$+4.6 million for Foreign Currency Fluctuation and a \$+253.2 million net increase for functional transfers and program changes. Major program changes include a transfer to Base Operations for \$+69.0 million for the Navy Marine Corps Intranet; increase for military to civilian conversion of \$+63.7 million; increase of \$+52.9 million based on the 95% Facilities Sustainment goal and Restoration and Modernization Projects; and an increase of \$+50.8 million for maintenance of M1A1 tanks.

MARINE CORPS

Budget Activity 3: Training and Recruiting

| | | <u>(\$ in millions)</u> | | | | | |
|----------------|---------------|--------------------------------|-----------------|---------------|----------------|-----------------|--|
| FY 2004 | | Program | FY 2005 | Price | Program | FY 2006 | |
| Actual | Growth | Growth | Estimate | Growth | Growth | Estimate | |
| 560.8 | +12.4 | +14.8 | 588.0 | +10.8 | -30.6 | 568.2 | |

The resources in this budget activity support recruiting and advertising, training and the education of Marines. Recruit training encompasses the transition from civilian life to duties as a Marine and includes an intense period of training designed to prepare the new Marine for assignment to units of the Operating Forces, major bases and stations, and duty at sea aboard vessels of the U.S. Navy. Officer Acquisition encompasses training candidates for appointment as commissioned officers prior to actual commissioning in the Marine Corps and Marine Corps Reserve. Nominees undergo intense courses of instruction prior to actual commissioning.

Upon completion of Officer Acquisition Training or Recruit Training, the Marine is assigned to courses of instruction to acquire the requisite skills necessary to meet the minimum requirements of a Military Occupational Specialty (MOS). For officers, this course involves completion of The Basic School at the Marine Corps Combat Development Command (MCCDC), Quantico, Virginia, and the assignment to a MOS qualifying course such as the Infantry Officer Course or the Communication Officers School. The enlisted Marine undergoes Specialized Skill Training at Marine Corps installations or at schools run by the other Services, depending on his/her designated MOS.

This budget activity also funds training support for costs associated with travel and per diem for those Marines attending Service and civilian schools away from their permanent duty stations; expenses incurred in developing a proficient recruiting force; costs for advertising media and market analysis; costs for training support equipment, audio-visual aid, computer-assisted training programs, and direct administrative support to the training management functions and the Marine Corps Institute; injury compensation payments; and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases. In addition, this activity provides base support and Facilities Sustainment, Restoration, and Modernization (FSRM) support to Marine Corps Recruit Depots, Marine Corps Barracks, and Marine Corps Recruiting Command.

The FY 2006 budget request of \$568.2 million for Training and Recruiting reflects a net decrease of \$-19.8 million from the FY 2005 funding level. The change includes \$+10.8 million in price growth and a \$-30.6 million net decrease from functional transfers and program changes. Major program changes in FY 2006 include an increase of \$+10.3 million for the Marine Corps Range Investment; increase of \$+5.9 million to support Tuition Assistance at 100%; and decrease of \$-48.0 million due to functional transfer of NMCI funding to BA 01.

MARINE CORPS

Budget Activity 4: Administration and Servicewide Activities

| | | <u>(\$ in millions)</u> | | | | | |
|---------------|--|-------------------------|---------------|-----------------|---------------|---------------|-----------------|
| FY 2004 | | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 564.3 | | +10.9 | -203.6 | 371.6 | +1.8 | -48.0 | 325.4 |

The Marine Corps-wide efforts of special support, transportation, personnel management, and headquarters base support are financed in this activity group. In addition, civilian personnel salaries and the department and staff management of Headquarters, Marine Corps are funded within this activity group.

Special Support provides funding for the support of Marine Corps prisoners confined at the Army Disciplinary Command, Fort Leavenworth, Kansas; the Marine Band located at the Marine Barracks, 8th and I Streets, Washington, DC; and Quality-of-Life (QOL) programs such as Child Care, Youth Development and Family Service Centers. Special Support also finances the administration of missions, functions and worldwide operations of the Marine Corps and Marine Security Guards. Cost of operations includes civilian personnel salaries, Defense Finance and Accounting Service (DFAS) reimbursement, automated data processing, printing and reproduction, civilian and military travel, and personnel services on a Marine Corps-wide basis.

All costs related to Second Destination Transportation of cargo to the operating forces are also funded in this activity group. Categories of transportation are: (a) Military Sealift Command for ocean cargo; (b) Inland Transportation by commercial carriers for movement between CONUS installations and ports; (c) Military Airlift Command for movement of priority cargo in support of Operating Force units; and (d) Military Traffic Management Command and commercial sources for port handling of ocean cargo.

Base operations support for Headquarters Battalion, Headquarters, Marine Corps and military personnel assigned to Headquarters, U.S. Marine Corps is funded within this activity group. Also included in this activity group are injury compensation payments and procurement of collateral equipment required to initially outfit new military construction projects at Marine Corps bases.

The FY 2006 budget request of \$325.4 million for Administration and Servicewide Activities reflects a net decrease of \$-46.2 million from the FY 2005 funding level. This increase includes \$+1.8 million in price growth and a \$-48.0 million net decrease from functional transfers and program changes. Major changes in FY 2006 include an increase of \$+22.4 million to DFAS bill for DFAS budget request; decrease of \$-20.1 million for functional transfer to Operation and Maintenance, Navy for consolidation of the Defense Security Service background investigations; decrease of \$-21.0 million due to functional transfer of NMCI funding to BA 01; and decrease of \$-31.3 million due to removal of one-time FY 2005 increases.

AIR FORCE

| (\$ in Millions) | | | | | | |
|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 32,981.6 | 1,431.4 | -7,872.6 | 26,540.4 | 1,423.3 | 3,557.4 | 31,521.1 |

FY 2004 actual column includes the FY 2004 supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 excludes war-related and disaster supplemental funds.

The Operation and Maintenance (O&M) appropriation is the cornerstone of Air Force Readiness. It supports the Air Force capability to develop, train, sustain, and integrate the elements of air and space power to produce the core competencies of air and space superiority, global attack, rapid global mobility, precision engagement, information superiority, and agile combat support. The synergy of these competencies provides a full range of air and space capabilities to commanders. These funds allow the Air Force to operate and maintain aircraft, space and related weapon systems; train personnel; operate communications, command and control systems; and purchase supplies, equipment and fuel. O&M resources directly support essential combat related activities such as intelligence, logistics, weather, air traffic control, search and rescue, maintenance of airfields, runways, base facilities, and the working and living environment of Air Force personnel.

The FY 2006 Budget Submission reflects a \$5.0 billion change between FY 2005 and FY 2006 including \$1.4 billion in price changes and \$3.6 billion in program changes. The price change includes fuel inflation rates, which are adjusted to reflect the program price differential for fuel. The FY 2005 supplemental request includes funds to support the increased fuel price in FY 2005. Within the \$3.6 billion program change is \$2.4 billion in program transfers, which do not reflect an increase to Air Force missions, but are simply realignments between accounts for existing requirements. In FY 2005, the Air Force anticipates restoral of \$1.0 billion in Transportation Working Capital Funds per Section 8123 of the DoD Appropriation; in FY 2006, \$1.1 billion in transfers from procurement accounts to support the transition of the F/A-22 (\$467.7 million) and the C-17 (\$554.6 million) aircraft from Integrated Logistics Support (ILS) to Contract Logistics Support (CLS); as well as \$0.4 billion transferring from the procurement appropriation for equipment costing less than \$250 thousand into the O&M appropriation (Equipment Transformation Initiative). The remaining \$1.1 billion of program growth reflects increased requirements, including a \$0.3 billion growth in classified programs.

The Air Force realized \$0.8 billion or 3% of unclassified program growth to support key mission requirements. Funding provides for high demand reconnaissance and battlefield management systems including the "Predator" and "Global Hawk" Unmanned Aerial Vehicle programs. These dollars also support expanding the Distributive Mission Operations program, which is the cornerstone of transformation efforts to improve aircrew training through the use of virtual simulation technology. Expanded Homeland Defense

AIR FORCE

requirements are included for continued operation of long-range radar systems throughout the continental United States. Finally, Base Support services requirements are funded including beddown support of the F/A-22 and C-17 aircraft.

Overall Assessment:

The FY 2006 Budget Submission forges a balanced program to meet the emerging challenges of Combatant Commanders. Air Force funding secures Air and Space dominance into the 21st century by continuing to field the first new fighter aircraft in 25 years, while modernizing critical reconnaissance and mobility platforms. The Air Force continues transformation initiatives to improve aircrew training, expand communications capabilities and streamline equipment procurement. This budget does not reflect incremental funding to support the Global War on Terrorism (GWOT).

Budget Activity 1: Operating Forces

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 18,422.3 | 911.0 | -4,012.6 | 15,320.7 | 981.5 | 1,442.6 | 17,744.8 |

FY 2004 actual column includes the FY 2004 supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds.
FY 2005 excludes war-related and disaster supplemental funds.

Operating Forces (Budget Activity 1) consists of Air Operations, Combat Related Operations, and Space Operations. These funds support fighter, bomber, and missile forces assigned to Air Force operational commands. They also provide global command, control, and communications; the capability to launch payloads into various earth orbits; and a worldwide network of sites and terminals to relay data gathered by satellites. Also included in this budget activity are unique missions such as combat search and rescue; combat test and training fighter aircraft; electronic warfare aircraft; tactical air control systems; command, control and communications, including Airborne Warning and Control System (AWACS) aircraft; Dissimilar Aerial Combat Training aircraft; combat training and ranges; and base support activities.

Major Program Changes:

AIR FORCE

The FY 2006 Operating Forces budget of \$17.7 billion includes a \$981.5 million price increase driven by higher fuel costs and \$1,442.6 million in program changes. These program changes include transfers to and from other appropriations for \$733.6 million and increased funding of \$709.0 million to meet mission challenges.

Mission transfers include shifting \$467.7 million in F/A-22 aircraft operations sustainment from procurement appropriations to operations and maintenance to support contract maintenance, supplies, and materials as well as site activation at Tyndall AFB, FL, Nellis AFB, NV and Langley AFB, VA. The Equipment Transformation Initiative transfers \$212.4 million from the procurement appropriations to provide Commanders with greater flexibility to purchase equipment items costing less than \$250 thousand. This streamlined process gets the right equipment to the war fighter in minimal time and at a reasonable cost. In line with congressional language, the Transportation Working Capital Fund is restoring \$75.5 million to this appropriation. Additionally, the Contingency Response Group, a highly mobile, rapid response unit designed to deploy anywhere around the globe at a moments notice realizes an increase of \$166 thousand to better reflect this operating mission. Finally, the Information Services Activity Group (ISAG) funding (\$-22.0 million) was realigned to direct funding accounts following the decision to decapitalize this portion of the working capital fund.

Air Operations Forces: Major changes in this activity group include reconnaissance platform support, Combat Air Forces training, Distributed Mission Operations (DMO), Air Operations Center upgrades and exercises training. Reconnaissance platforms increased \$203.9 million to support systems such as Predator (\$85.1 million), Distributed Common Ground System (\$59.2 million), Air and Space Operations Center activities (\$30.0 million), as well as Airborne Warning and Control Systems (\$29.6 million) flying operations sustainment. The Air Operations Center funding increase permits standardized operations and training at 19 locations around the world. Overall, reconnaissance support provides Commanders real time intelligence and battlefield situational awareness critical to mission success. Combat Air Forces training increases by \$77.9 million. This funding supports training programs for F-15, F-16, and Kirtland AFB Special Operations Forces to include: academics, Air Combat Engagement Simulation (ACES), and Mission Training Support Services (MTSS). Also, funding provides necessary supplies and equipment for Combat Edge (CE) and Advanced Technology Anti-G Suit (ATAGS) equipment. The DMO program increased \$45.3 million, funding F-15, F-16, A-10, B-2, and E-3 mission training center instructor costs and required services to field this virtual training equipment. The DMO program is the cornerstone of the Training Transformation program and is vital to training aircrews on emerging threats. In addition, this funding also provides \$10.6 million for one-time FY 2006 Advisory Training and Exercise Support. Major program decreases were reductions to the Flying Hour Program (\$-310.6 million), Air Sovereignty Alert (\$-72.5 million), and the deactivation of the Peacekeeper Missile System (\$-49.7 million).

AIR FORCE

Combat Related Operations experienced an increase primarily driven by growth in Global Command, Control, and Communications and Early Warning system support, which provides primary Long Range Radar communications (\$36.3 million), Space Based Infrared System (SBIRS) support (\$32.5 million), and Ballistic Missile Defense Early Warning Systems (\$24.0 million). Additional program increases support the Military Satellite Communications program (\$18.8 million), realigning Weather Service manpower from military to contract support (\$17.3 million), and Other Combat Development activities (\$15.6 million) and Weapons of Mass Destruction response equipment (\$13.1 million). Satellites provide critical communications, intelligence, and navigation for the warfighter.

Also included is \$22.9 million for one-time FY06 costs to demolish obsolete ATLAS Missile platforms and temporary leased facility space at Los Angeles Air Force Base (\$9.9 million).

The civilian pay program will experience growth of \$177.6 million. This increase supports the Combatant Command (COCOM) mission requirements, civilian pay model-driven increases, and placing civilian employees in positions formerly held by military members in order to return the military to the war-fighting force.

Depot Maintenance funding increased by \$64.7 million to support aircraft control software upgrades for several aircraft including the B-52. This funding also provides for additional depot maintenance support for the E-3 Airborne Warning and Control System (AWACS) and for the A-10 ground attack aircraft.

Facilities Sustainment and Base Support programs experienced growth in FY 2006. Facilities Sustainment supplies (\$23.0 million), contract services (\$25.1 million), and Restoration and Modernization (\$10.8 million) all increased. Base Services-related activities also increased by \$83.8 million. This growth restores funding for force enablers such as mess attendants, gymnasiums, and libraries. These dollars provide a firm foundation upon which to support and retain our warfighters.

Budget Activity 2: Mobilization

| <u>(\$ in Millions)</u> | | | | | | |
|-------------------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| Actual | Change | Change | Estimate | Change | Change | Estimate |
| 4,642.1 | 178.4 | -2,357.8 | 2,462.7 | 232.6 | 1,267.1 | 3,962.4 |

FY 2004 actual column includes the FY 2004 supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 excludes war-related and disaster supplemental funds.

AIR FORCE

Mobilization (Budget Activity 2) includes Airlift Operations; Command, Control, Communications and Intelligence (C3I); Mobilization Preparedness; and related base and facilities support. Mobility Operations provides global mobility through strategic and theater airlift to support peacetime, contingency, and wartime operations in pursuit of national objectives. Rapid movement and sustainment of combat forces anywhere in the world to deter and defeat aggression or provide humanitarian/peacekeeping assistance is a major instrument of US national security policy. The President, the Secretary of Defense, Joint Chiefs of Staff, the military services and DoD agencies depend heavily on Air Force mobility operations for essential cargo and troop movements in support of a variety of missions. Successes in the Southwest Asia regions and humanitarian assistance efforts have shown the pivotal role of mobility force projection.

Major Program Changes:

The FY 2006 Mobilization Forces budget of \$4.0 billion includes a \$232.6 million price increase driven by increased fuel costs and \$1,267.1 million in program changes. These program changes include transfers from other appropriations of \$1,300.8 million and a net program decrease of -\$38.9 million.

Mission transfers in BA-02 total \$1.3 billion and include transferring \$554.6 million from aircraft procurement to support the C-17 aircraft transition from Interim Contract Support to Contract Logistics Support. Funding provides for sustainment, supplies, and materials at Hickam AFB, HI and Elmendorf AFB, AK. The Equipment Transformation Initiative also transfers \$43.2 million from procurement appropriations to purchase support equipment costing less than \$250 thousand. The Transportation Working Capital Fund will restore \$704.8 million to this appropriation in FY 2005 following Congressional direction. Finally, customer funding for services in the Information Services Activity Group Working Capital Fund are shifted to direct funding support to streamline accounting operations along with other minor adjustments between Budget Activities (\$-1.8 million).

Mission program increases in FY 2006 include additional Contract Logistics Support for supporting Air Mobility including the KC-10, C-21, C-32, and C-37 aircraft (\$48.9 million). Funding also supports engine overhauls, spares, electrical upgrades, paint, and in-depth inspections over FY 2005 levels. Funding supports creation of the Air Mobility Warfare Center, which provides aircrews and ground support training that is vital on how to set up and operate an air base in a deployed environment (\$25.1 million). Programs experiencing a decrease in FY 2006 include Flying Hours (\$-60.0 million), Facility Restoration and Modernization (\$-33.8 million), Base Support programs (\$-27.3 million), and War Reserve Materiel (\$-12.2 million). Funding levels are consistent with required sustainment levels.

AIR FORCE

Also included is \$5.2 million in one-time FY06 costs supporting Air Mobility Command's Command and Control System. This increase funds computer server upgrades in support of the Joint Air Logistics Information System. This technology allows logistical planners to efficiently allocate our limited resources against the highest priority missions.

Budget Activity 3: Training and Recruiting

| (\$ in Millions) | | | | | | |
|-------------------------|----------------------|----------------------|------------------------|----------------------|----------------------|------------------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| 2,910.5 | 118.5 | -78.5 | 2,950.5 | 122.9 | -23.9 | 3,049.5 |

FY 2004 actual column includes the FY 2004 supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 excludes war-related and disaster supplemental funds.

Training and Recruiting (Budget Activity 3) supports three broad mission areas: Accession Training, Basic Skills and Advanced Training, and Recruiting & Other Training and Education. Accession training produces the enlisted and officer personnel needed to meet total force requirements. Officer accessions receive indoctrination training through the United States Air Force Academy, Air Force Reserve Officer Training Corps, Officer Training School, and the Airmen Education and Commissioning Program. Basic Skills and Advanced Training includes specialized skill, flight training, professional development education and training support. Specialized skill training provides training and education essential to operate, maintain, and manage complex Air Force weapon systems and the associated support structure. Flight training programs include flight screening, undergraduate pilot training, specialized undergraduate pilot training, specialized undergraduate and advanced navigator training, and pilot instructor training. Professional development education includes professional military education programs to enhance and develop critical leadership skills of commissioned officers, civilians, and noncommissioned officers. Other training covers civilian education and training, tuition assistance for active duty personnel, and Junior Reserve Officer Training Corps.

Major Program Changes:

The FY 2006 Training and Recruiting program of \$3.0 billion includes a \$122.9 million price increase driven by higher fuel costs and program reduction of \$-23.9 million. These program changes include transfers from other appropriations of \$8.9 million and a change in program growth of \$-32.8 million.

AIR FORCE

Mission transfers include the Equipment Transformation Initiative shifting \$4.1 million from procurement appropriations to purchase support equipment costing less than \$250 thousand. The Transportation Working Capital Fund will restore \$4.8 million to this appropriation in FY05 following Congressional direction.

Program increases include \$29.1 million for the Off-Duty and Voluntary Education program, which funds the difference between programmed tuition assistance and DoD policy of 100 percent funding based on tuition cost analysis and student participation. The Off-Duty and Voluntary Education Program is a major recruiting, retention, and training incentive. It provides active duty personnel the opportunity for professional development and advancement through tuition assistance for post secondary education. An additional \$51.6 million is provided for civilian pay model driven increases including pay raises. Additional funding of \$21.1 million provides contractor operations for Base Operating Support, Base Communications, Real Property Services, and Environmental Compliance at fully contracted facilities where work was previously performed in-house. Mission program reductions include an \$-63.6 million change in Facility Restoration and Modernization and \$-22.1 million in Base Support Services, as well as a reduction of \$-27.4 in Flight Training Maintenance and \$-17.6 million to Flying Hour requirements. Adjustments include the transition from the T-37 to the T-6 trainer at Moody AFB, Georgia.

Budget Activity 4: Administration and Servicewide Activities

| | | <u>(\$ in Millions)</u> | | | | |
|----------------|--|-------------------------|--|----------------|-----------------|---------|
| FY 2004 | | Price | | Program | FY 2005 | |
| <u>Actual</u> | | <u>Change</u> | | <u>Change</u> | <u>Estimate</u> | |
| 7,006.6 | | 223.4 | | -1,423.5 | 5,806.5 | 86.3 |
| | | | | | | 871.6 |
| | | | | | | 6,764.4 |

FY 2004 actual column includes the FY 2004 supplemental, transfers from the Iraqi Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 excludes war-related and disaster supplemental funds.

Administration and Servicewide (Budget Activity 4) funds four broad mission areas, all integral to Air Force readiness: Logistics Operations, Servicewide Support, Security Programs, and Support to Other Nations. Logistics Operations includes cradle-to-grave acquisition and logistics support, including Readiness Spares Kits and pipeline supply requirements. It also includes inter-and intra-theater transport and handling of equipment and munitions. Servicewide Activities cut across the entire Air Force to ensure combat capabilities through communications, personnel and policy direction, and the Civil Air Patrol. Security Programs include the Air Force Office of Special Investigations and a range of classified activities. Finally, Support to Other Nations includes USAF participation in the North Atlantic Treaty Organization, Supreme Headquarters Allied Powers Europe, and the US Central Command's role in the Cooperative Defense Initiative and CINC Engagement Program with Central Asian states.

AIR FORCE

Major Program Changes:

The FY 2006 Administration and Servicewide Program of \$6.7 billion includes an \$86.3 million price increase and program changes of \$871.6 million. These program changes include transfers to and from other appropriations of \$232.9 million and a program change of \$638.7 million.

Mission transfers include the Equipment Transformation Initiative, which transfers \$106.3 million from the procurement appropriations so Commanders can purchase the equipment they need when it costs less than \$250 thousand. This streamlined process gets the right equipment to the warfighter in minimal time and at a reasonable cost. The Transportation Working Capital Fund is restoring \$182.0 million to this appropriation in FY 2005 following Congressional action. Finally, customer funding for services in the Information Services Activity Group Working Capital Fund were shifted to direct funding support to streamline accounting operations along with other minor adjustments between Budget Activities (\$80.2 million).

Classified Program increases account for \$264.6 million. Information on these increases will be provided through classified channels upon request.

Other servicewide program increases include a \$291.9 million civilian pay program increase which is attributable to Combatant Command (COCOM) mission requirements and civilian pay model driven increases. Communications funding increased to support the Department of Defense-Wide Global Information Grid (\$140.3 million) initiative to expand network transmission capabilities and Purchased Communications (\$ 38.0 million). In addition, the Air Force will now directly pay for long-haul communication services previously billed to tenant units on Air Force Bases.

Logistics program changes include \$34.5 million to support second destination transportation requirements. In addition, \$35.1 million supports the new Expeditionary Combat Support System (ECSS), which provides near real-time worldwide visibility of assets allowing the war-fighter to pinpoint the location of mission critical weapon systems and confirm availability of resources to the area of responsibility.

Program decreases include Depot Maintenance (\$-28.5 million) and Depot Maintenance Software (\$-25.6 million). Administrative Support for Headquarters Air Force was reduced by \$-34.9 million and a decrease \$-27.8 million in outsourcing initiatives for the Pentagon Communications Agency further reduced the program.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

| (\$ in Millions) | | | | | | |
|------------------|------------------------|--------------------------|----------|--------------------------|--------------------------|----------------------------|
| FY 2004 | Price <u>Actual</u> | Program <u>Change</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| 20,325.0 | +558.0 | -2,935.0 | 17,948.0 | +453.0 | +52.0 | 18,453.0 |

FY 2004 actual obligations include \$2.981 million in Supplemental Funding. The FY 2005 Normalized Current Estimate includes \$100 million for the Hurricane Supplemental (P.L. 108-324) and excludes \$937.6 million in Title IX Supplemental Funds (P.L. 108-287). Of the \$937.6 million, \$404 million was appropriated directly to O&M D-W and the remaining \$533.6 million was transferred from the Title IX Iraq Freedom Fund to O&M D-W for National Intelligence Programs.

This funding supports critical Department-wide functions and transformational efforts supporting the Secretary, Military Departments, and warfighters. It includes funding for the Special Operations Command, several Combat Support Agencies, four Intelligence Agencies and other agencies providing common information services, contract administration, contract audit, logistics and administrative functions to the Military Departments.

BUDGET/PROGRAM HIGHLIGHTS

Overview. A summary of change between FY 2005 and FY 2006 includes the following (\$M):

| | |
|---------------|--|
| 17,948 | Normalized FY 2005 Current Estimate (FY 2005 Column of FY 2006 President's Budget) |
| - 100 | Program decrease for Hurricane Supplemental |
| - 873 | Program decrease for Prior Year Unobligated Balances Carried Forward |
| + 61 | Net of Transfers In and Out of the O&M D-W Appropriation |
| +1,096 | Net Growth in Classified Programs, includes \$240 for pricing changes |
| + 214 | Pricing Changes in Other Defense Agencies |
| + 107 | Net Program Changes in Other Defense Agencies |
| <u>18,453</u> | FY 2006 President's Budget Request |

Prior Year Carryover of Unobligated Balances (non-Classified programs) from FY 2004 to FY 2005, results in a \$873M program increase in FY 2005, and a program decrease from FY 2005 to FY 2006, comprised of:

- \$864M for Coalition Support payments by DSCA to key cooperating nations, such as Pakistan and Jordan; and
- \$9M in Counter Terrorism Fellowship Program at DSCA that remains available for obligation until expended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

Transfers (non-Classified programs).

Numerous **transfers** to promote efficiency and effectiveness, which increase the O&M D-W appropriation by a net of approximately \$61M in FY 2006 and are extended to the outyears, include:

--consolidation of the Regional Centers under DSCA to enhance oversight by USD(Policy) results in a total increase to DSCA of \$+61.2M in FY 2006 (\$39.5M from Army and Navy and \$21.7M from within O&M D-W from National Defense University);

--transfer-in of the Pipeline Reemployment Program from various Components to DHRA to centrally administer, with the goal of creating 200 temporary FTE positions at DHRA to support returning several hundred injured employees to work in the coming years (DHRA \$+12.4M in FY 2006);

--transfer-in of the Collaborative Force Analysis, Sustainment and Transportation (CFAST) system from RDT&E to DISA O&M (DISA \$+4.5M in FY 2006);

--transfer-in of the Command and Control Initiatives Program from procurement to TJS O&M (TJS \$+8.9M in FY 2006);

--transfer-in of funding to D-W customers from a revolving fund to cover increases in rent for tenants of the Pentagon to fund the Raven Rock Renovation Master Plan facilities upgrades (D-W Pentagon Tenants--DIA, DISA, DTRA, TJS, and WHS--\$+12.7M);

--transfer-in of the Defense Information Infrastructure (DII) program to DLA from Army, to align it with the Logistics Domain and in support of the Logistics Enterprise Program (DLA \$+6.9M in FY 2006);

--transfer-out of a Special Access Program from DLA to Air Force (DLA \$-16.0M in FY 2006) and a Classified program from OSD to Air Force (OSD \$-7.5M in FY 2006)

Classified Programs Major Changes.

Significant growth in Classified programs, totaling \$1,096M in FY 2006, is primarily in National Intelligence Programs. (\$240 million is for pricing changes and \$856 million is for program changes). The multi-year implementation of the “Strengthening Intelligence” initiative, which began in FY 2005, provides increases in funding and full-time equivalents in the Intelligence Agencies.

Other Defense Agencies Programs Major Changes Highlights.

Highlights of Other Defense Agencies funding, which supports numerous Department-wide programs, include:

OPERATION AND MAINTENANCE, DEFENSE-WIDE

--Pricing adjustments of \$+214M reflect growth in non-pay inflation and a program decrease in civilian pay pricing from FY 2005 to FY 2006.

--Capital Security Cost Sharing (CSCS) program, which is led by Department of State to modernize and provide security upgrades at their embassies worldwide, is funded by assessing each agency based on the number of personnel assigned to the Chief of Mission (FY 2006 estimate is \$61.3M; reflects growth of \$+61.3M over the FY 2005 level and is funded within OSD);

--Readiness and Environmental Protection Initiative (REPI) is an OMB initiative created in FY 2005 as a long-term, comprehensive strategy to prevent incompatible development around test and training ranges while ensuring sound environmental stewardship. (FY 2006 estimate is \$20M, reflects growth of \$8M over the FY 2005 and is funded within OSD);

--eGov Initiatives supporting the President's Management Agenda and funding for Government-wide Councils (FY 2006 estimate is \$31.8M; reflects growth of \$13.8M over the FY 2005 level and is funded within WHS);

--Secretary of Defense transformational efforts, such as, the Business Management Modernization Program and related Core Business Mission Areas (formerly Domains) are funded within OSD (FY 2006 estimate is \$49.0M; reflects growth of \$+10.7M over the FY 2005 level);

--USSOCOM skill and advanced training programs increase, especially for specialized skill training and professional development training, reflecting emphasis on expanding USSOCOM's training capabilities (FY 2006 estimate is \$124.1M; reflects growth of \$25.6M);

--USSOCOM combat development activities increase (FY 2006 estimate is \$415.4M; reflects growth of \$13.9M);

--USSOCOM Intelligence programs increase (FY 2006 estimate is \$86.4M; reflects growth of \$9.0M);

--Personnel Security Investigations for Industry Program funding by DSS for contractor clearances (FY 2006 funded level is \$128.6M; reflects growth of \$+ 48.9M);

--Establishment of a National Security Personnel System program office under DHRA to enhance oversight by USD(Personnel and Readiness) (FY 2006 estimate is \$12M; reflects growth of \$2M);

--Increased costs for the Defense Integrated Military Human Resource System (DIMHRS) funded by DHRA are based on anticipated completion of development and deployment and movement to sustainment in FY 2006 (FY 2006 estimate is \$49.5M; reflects growth of \$12.2M);

--Defense Leadership and Management Program increases to resume intake of new students into the program and continue development and education of students already in the program pipeline (FY 2006 estimate is \$31.2M; reflects growth of \$7.2M);

OPERATION AND MAINTENANCE, DEFENSE-WIDE

- Establishes the Defense Business Fellows program to attract skilled individuals with graduate degrees in business administration to leadership positions in the Department (FY 2006 estimate is \$4.8M; reflects growth of \$4.8M);
- Public Affairs Transformation initiatives within AFIS (FY 2006 estimate is \$25.1M; reflects growth of \$12.9M over the FY 2005 level);
- Chairman, Joint Chiefs of Staff, Exercise Program (CEP) increases slightly and has been adjusted to reflect the impact of the global war on terrorism operating tempo on exercises (FY 2006 estimate is \$195.7M; reflects growth of \$21.7M);
- Combatant Commanders Initiative Fund (CCIF), which funds unforeseen emergent requirements that enhance warfighting capability, readiness, and sustainability of Combatant Commander assigned forces, increases slightly (FY 2006 estimate is \$30M; reflects growth of \$5M);
- Combating Terrorism Readiness Initiative Fund requirements increase to respond to and protect against acts, or threatened acts, of terrorism (FY 2006 estimate is \$41.5M; reflects growth of \$10.5M);
- TJS Joint Staff Information Network requirements increase to provide 24/7 support allowing continuous communication at both the classified and unclassified level for TJS, Combatant Commanders, the Services and Agencies (FY 2006 estimate is \$30.9M; reflects growth of \$23.9M);
- White House Communications Agency classified support to the Executive Office of the President is directly funded by DISA beginning in FY 2006 and no longer a reimbursable program (FY 2006 estimate is \$10.8M; reflects growth of \$10.8M);
- DISA Information Systems Security Program (ISSP) increases to fund the Information Operations (IO) Roadmap. The IO Roadmap contains several key components, such as, Computer Network Defense and identification and acquisition of new and emerging technologies (FY 2006 estimate is \$195.8M; reflects growth of \$74.5M);
- OSD Homeland Defense increases for new Maritime Domain Awareness initiatives and operating costs (FY 2006 estimate is \$5.2M; reflects growth of \$5.2M);
- OSD Homeland Defense Critical Infrastructure Protection (CIP) program increases, which directly supports Combatant Commanders and Services in conducting vulnerability and risk assessments of DoD assets (FY 2006 estimate is \$23.3M; reflects growth of \$12.4M);
- OSD AT&L new Corrosion Reduction program will enhance the Department's corrosion control strategy (FY 2006 estimate is \$10M; reflects growth of \$10M);
- OSD Defense Safety Oversight Council will fund safety initiatives to aid DoD Commanders with their injury prevention efforts and improve processes used in safety management to achieve the goal of reducing workplace mishaps by 50 percent (FY 2006 estimate is \$9.2M; reflects growth of \$9.2M);

OPERATION AND MAINTENANCE, DEFENSE-WIDE

--Increases in the operating budget for the Defense Legal Services Agency (DLSA) for new and expanded missions, including the Office of Military Commissions and Defense Office of Hearings and Appeals, reflects growth of \$11.2M for 100 Full-Time Equivalents offset by reductions of \$4.2M for travel, intra-governmental purchases, and contract support (FY 2006 estimate is \$38.4M; reflects growth of \$+7M);

--Rent payments by WHS to the Pentagon Reservation Maintenance Revolving Fund increase due to additional square footage requirements and an increase in the rent bill (FY 2006 estimate is \$76.2M; reflects growth of \$+22.2M);

--Restoration of cyclic equipment purchases is required since DCMA virtually eliminated its planned equipment replacements in FY 2005 to accommodate general provision reductions (FY 2006 estimate is \$16.8M; reflects growth of \$15.3M)

Significant program *decreases* are reflected throughout the Agencies. Highlights include:

--Congressional adds and earmarks not continued in FY 2006 total \$184M, primarily for CMP, DODEA, OEA and OSD;

--DISA growth is offset by \$104.7 million which results from implementing the DoD Enterprise Level Communication Subscription Pricing and Governance Process for the Defense Information Systems Network (DISN) and eliminating Tier 1 Military Unique funding and Tier 2 rate base cost recovery for DISN.

--USSOCOM program decrease of \$45.9M in flying hours reflects historically high OPTEMPO on low density/high demand aircraft coupled with dramatic changes in spare usage and prices and frequent fluctuation in cost-per-flying hour rates.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

| Agency | FY 2004 Actuals | Price Change | Program Change | FY 2005 Estimate | Price Change | Program Change | FY 2006 Estimate |
|--------------------|----------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| AFIS | 135.766 | 3.140 | -5.986 | 132.920 | 2.641 | 12.431 | 147.992 |
| CMP | 96.942 | 1.939 | 18.351 | 117.232 | 2.462 | -19.226 | 100.468 |
| DAU | 103.619 | 2.447 | -6.010 | 100.056 | 2.427 | 3.118 | 105.601 |
| DCAA | 374.169 | 14.346 | -27.284 | 361.231 | 12.556 | 6.160 | 379.947 |
| DCMA | 994.445 | 35.332 | -33.532 | 996.245 | 31.929 | 16.148 | 1,044.322 |
| DFAS | 5.243 | 86 | -1.151 | 4.178 | 106 | 1.197 | 5.481 |
| DHRA | 324.429 | 7.683 | 36.930 | 369.042 | 8.083 | 25.673 | 402.798 |
| DISA | 1,239.576 | 20.066 | -227.800 | 1,031.842 | -4.644 | 17.927 | 1,045.125 |
| DLA | 311.215 | 6.656 | 5.082 | 322.953 | 6.853 | -23.971 | 305.835 |
| DLSA | 27.947 | 990 | 1.710 | 30.647 | 613 | 7.152 | 38.412 |
| DoDEA | 1,867.081 | 56.936 | -152.143 | 1,771.874 | 79.542 | -81.788 | 1,769.628 |
| DPMO | 15.510 | 892 | -975 | 15.427 | 883 | -205 | 16.105 |
| DSCA | 1,413.674 | 28.288 | -486.707 | 955.255 | 20.006 | -831.295 | 143.966 |
| DSS | 257.648 | 4.789 | -36.109 | 226.328 | 2.096 | 54.044 | 282.468 |
| DTRA | 323.428 | 4.073 | -11.575 | 315.926 | 6.261 | -2.088 | 320.099 |
| DTSA | 20.287 | 606 | -1.078 | 19.815 | 434 | 1.448 | 21.697 |
| NDU | 89.519 | 2.066 | 293 | 91.878 | 2.020 | -26.740 | 67.158 |
| OEA | 57.512 | 1.198 | 30.080 | 88.790 | 1.868 | -60.195 | 30.463 |
| OSD | 801.744 | 21.904 | -70.755 | 752.893 | 18.545 | 7.420 | 778.858 |
| TJS | 559.274 | -28.765 | -41.792 | 488.717 | -20.698 | 112.864 | 580.883 |
| USSOCOM | 2,869.350 | -81.894 | -667.103 | 2,120.353 | 50.857 | 34.483 | 2,205.693 |
| WHS | 452.644 | 28.809 | 61.400 | 542.853 | -11.011 | -58.359 | 473.483 |
| Classified | 7,984.126 | 426.560 | -1,319.197 | 7,091.489 | 239.705 | 855.793 | 8,186.987 |
| Grand Total | 20,325.148 | 558.147 | -2,935.351 | 17,947.944 | 453.534 | 51.991 | 18,453.469 |

NOTE: FY 2004 Actuals include \$2,980.9M in Supplemental funds

FY 2005 Normalized Current Estimate excludes \$937.6M in Title IX, Additional War-Related Appropriations, Department of Defense Appropriations Act, 2005 (P.L.108-287) and includes \$100.0M for Hurricane Supplemental (P.L. 108-324).

RESERVE FORCES

| | (\$ in Millions) | | | | | | |
|----------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Army Reserve | 2,035.4 | +39.9 | -89.1 | 1,986.2 | +45.0 | -43.8 | 1,987.4 |
| Navy Reserve | 1,174.0 | +71.4 | -10.8 | 1,234.6 | +40.0 | -28.9 | 1,245.7 |
| Marine Corps Reserve | 189.2 | +3.6 | -6.1 | 186.7 | +1.8 | +11.4 | 199.9 |
| Air Force Reserve | 2,047.9 | +122.4 | +66.7 | 2,237.0 | +204.8 | +59.9 | 2,501.7 |
| Army National Guard | 4,458.9 | +104.0 | -124.8 | 4,438.1 | +98.7 | -27.1 | 4,509.7 |
| Air National Guard | 4,509.8 | +283.7 | -331.8 | 4,461.7 | +313.3 | -50.9 | 4,724.1 |
| Total | 14,415.2 | +625.0 | -495.9 | 14,544.3 | 703.6 | -79.4 | 15,168.5 |

The Operation and Maintenance (O&M) appropriations provide funding for operating the Reserve Components' forces and maintaining their assigned equipment in a state of readiness to permit rapid deployment in the event of full or partial mobilization. Reserve Component personnel maintain adequate skill levels in highly technical specialties through training during weekend drills and active duty training. Concurrently, the Reserve Components contribute significant support to a variety of Active mission areas. The FY 2006 budget request of \$15,168.5 million for the Reserve Forces includes price growth of \$703.6 million and net program decrease of \$-79.4 million (-0.5 percent) below the FY 2005 funding level. Summary program data for the Reserve Components is displayed below.

Reserve Forces Program Data

| | FY 2004 | | FY 2005 | | FY 2006 | |
|--|---------------|---------------|-----------------|---------------|-----------------|--|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | |
| Selected Reserve End Strength | 851,302 | +9,498 | 860,800 | -12,300 | 848,500 | |
| Civilian Personnel Full-Time Equivalents (FTEs) | 71,848 | +4,994 | 76,842 | +1,714 | 78,556 | |
| Military Technicians (MEMO) | (60,743) | (+5,718) | (66,461) | (+1,325) | (67,786) | |
| Ship Inventory (End FY) | 24 | - | 24 | -4 | 20 | |
| Steaming Hours (in 000's of hours per year) | 29.6 | -.4 | 29.2 | -3.4 | 25.8 | |
| Total Aircraft Inventory (TAI) | 3,712 | -100 | 3,612 | -11 | 3,601 | |
| Primary Authorized Aircraft (PAA) | 3,443 | -41 | 3,402 | -16 | 3,386 | |
| Flying Hours (in 000's of hours) | 774.5 | -26.5 | 748.0 | -28.3 | 719.7 | |

RESERVE FORCES

ARMY RESERVE

Program/Price Growth. The FY 2006 budget request for the Army Reserve increases by \$1.2 million from the FY 2005 level. This increase includes a \$45.0 million for price growth and a net program decrease of \$43.8 million (-0.2 percent).

Program Discussion. The Army Reserve end strength remains at 205,000 in FY 2006. Program increases include \$18.3 million for OPTEMPO due to increased requirements for Petroleum, Oils and Lubricants (POL), consumables, organizational clothing and Individual Equipment (OCIE), tentage, maps, civilian manpower and related travel, Nuclear, Biological, and Chemical (NBC) supplies, and medical supplies; Medical and Dental Readiness; \$9.1 million for Army decision to increase funding for medical/dental. School House Training \$7.6 million for Army decision to increase funding for Professional Development and Functional Training; Army Tuition Assistance \$8.2 million; Long Haul Communications \$7.5 million; Army Life Cycle Contract \$6.1 million for Army decision to fully fund fixed wing maintenance contract; Information Management \$3.7 million; National Fire Inspection \$8.0 million; Depot Maintenance – Other End Items \$25.1 million to reduce depot maintenance backlogs; Base Operations Support; \$31.5 million Army decision to increase base operations support; Environmental \$9.4 million; Anti Terrorism \$4.0 million; Child and Youth Services \$2.7 million; Installation Management a \$2.8 million; Chemical Defense Equipment (CDE) \$0.3 million; Fort Buchanan transfer in \$46.4 million; Management Headquarters Activities \$4.2 million; Public Affairs \$0.7 million; Public Transportation Benefit \$0.2 million; Army Recruiting \$4.9 million; and Records Management \$1.3 million. Program decreases occur in OPTEMPO for \$87.6; Business Reengineering Initiatives \$134.7 million; Military Burial Honors \$0.4 million; Second Destination Transportation \$1.5 million; Real Property Management \$8.5 million; Tactical Wheeled Vehicles \$2.0 million; One Less compensable Day \$1.9 million; Army Marketing \$2.3 million; Human Resources \$2.1 million; and transfer out Senior ROTC Scholarships \$6.2 million. The civilian personnel increase of 729 FTEs is a result of increase to Military Technicians and transfer of civilians at Fort Buchanan from the Active Army.

Army Reserve Program Data

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 204,131 | +869 | 205,000 | - | 205,000 |
| Civilian Personnel (FTEs) | 9,852 | +771 | 10,623 | +729 | 11,352 |
| Technicians (MEMO) | (6,228) | (+1,460) | (7,688) | (+441) | (8,129) |
| Total Aircraft Inventory (TAI) | 154 | -2 | 152 | - | 152 |
| Primary Authorized Aircraft (PAA) | 154 | -2 | 152 | - | 152 |
| Flying Hours (in 000's of hours) | 7.9 | -1.3 | 6.6 | -.2 | 6.4 |
| Major Installations | 6 | - | 6 | +1 | 7 |
| Reserve Centers | 829 | - | 829 | +13 | 842 |

RESERVE FORCES

NAVY RESERVE

Program/Price Growth. The FY 2006 budget request for the Navy Reserve increases by \$11.1 million from the FY 2005 level, and includes \$40 million for price growth and a net program decrease of \$28.9 million (-2.3 percent).

Program Discussion. The Navy Reserve Selected Reserve end strength decreases by 10,300 in FY 2006 to 73,100 and civilian personnel full-time equivalents decreased to 1,360. The selected reserve end strength reductions are attributable to various force structure reductions including the decommissioning of 4 mine-hunting class ships. Additionally, a reduction was made to the flying hour program to remove reprioritized training hours, baseline operational hours and mobilization assets supporting the Global War on Terrorism (GWOT). The decrease of 8 Primary Aircraft Authorized (PAA) reflects the reductions from the TACAIR Integration initiative.

Program increases include increased funds for operational spares and replacement parts for Navy Reserve ships, increased funds for use of consumable and repairable parts for all aircraft types, increased funds for aircraft inspections and special repair requirements and increased funds for flying hours program associated with additional logistics aircraft (C-130, C-40, C-37) and adversary fighter aircraft (F-5). Program decreases include a \$53 million decrease in flying hour program to remove reprioritized training hours, baseline operational hours and mobilization assets to support GWOT and \$14.8 million reduction in contracting support across several sub-activity groups.

Navy Reserve Program Data

| | FY 2004 | FY 2005 | | FY 2006 | |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 82,558 | +842 | 83,400 | -10,300 | 73,100 |
| Civilian Personnel (FTEs) | 1,455 | +42 | 1,497 | -137 | 1,360 |
| Total Aircraft Inventory (TAI)* | 406 | -20 | 386 | -8 | 378 |
| Primary Authorized Aircraft (PAA)** | 208 | -10 | 198 | -2 | 196 |
| Flying Hours (in 000's of hours) | 107.6 | +2.1 | 109.7 | -20.6 | 89.1 |
| Ship Inventory | 24 | - | 24 | -4 | 20 |
| Steaming Hours (in 000's of hours per year) | 29.6 | -.4 | 29.2 | -3.4 | 25.8 |
| Reserve Centers | 169 | -2 | 167 | - | 167 |
| Major Installations | 6 | - | 6 | - | 6 |

* Total Aircraft Inventory includes aircraft flown by the Marine Corps Reserve.

** Does not include PAA for the Marine Corps Reserve.

RESERVE FORCES

MARINE CORPS RESERVE

Program/Price Growth. The FY 2006 budget request for the Marine Corps Reserve increases by \$13.2 million from the FY 2005 level, and includes a net \$1.8 million for price growth and a net program increase of \$11.4 million (+6.1 percent).

Program Discussion. The FY 2006 request supports manpower levels of 39,600 military end strength and 155 civilian full-time equivalents. Program increases are for organizational maintenance and supplies for the day-to-day operations of the Reserve sites, an increase in combat vehicle maintenance, an increase in estimated Defense Financial Accounting Service billings, and an increase in management support costs for Marine Corps Total Force Structure (MCTFS).

Marine Corps Reserve Program Data

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 39,658 | -58 | 39,600 | - | 39,600 |
| Civilian Personnel (FTEs) | 164 | -9 | 155 | - | 155 |
| Primary Authorized Aircraft (PAA)* | 173 | +1 | 174 | -6 | 168 |
| Flying Hours (in 000's of hours) | 34.3 | +6.7 | 41 | -1.3 | 39.7 |
| Divisions | 1 | - | 1 | - | 1 |
| Training Centers | 187 | - | 187 | - | 187 |

* Total Aircraft Inventory is included under Navy Reserve.

Note: Marine Corps Reserve flying hours are funded by the O&M, Navy Reserve appropriation.

RESERVE FORCES

AIR FORCE RESERVE

Program/Price Growth. The FY 2006 budget request for the Air Force Reserve increases by \$264.7 million from the FY 2005 level. This increase includes an increase of \$204.8 million for price growth and a net program increase of \$59.9 million (+2.7 percent).

Program Discussion. The FY 2006 budget request supports 73 flying units and a manpower level of 74,000 military end strength and 14,183 civilian full-time equivalents. Major programmatic increases in FY 2006 includes the C-130J aircraft transitioning to Contractor Logistics Support maintenance capability; the continuation of the unit conversion to C-17 unit equipped aircraft; the increased consumption of repairable and consumable spare parts supporting the flying hour program; conversion to C-5 unit equipped aircraft beginning in FY 2006; and the continued transition to C-17 associate squadrons.

In addition, there is a \$17 million functional transfer from the Air Force procurement accounts for equipment items costing less than \$250 thousand and a transfer of \$1 million for information technology from Operation and Maintenance to Procurement. Other FY 2006 program increases are for restoration and modernization of Air Force Reserve facilities to prevent loss of installation capability and frequent mission interruptions; and the acquisition and sustainment of information technology infrastructure. Major FY 2006 program changes reflect C-5 associate unit reductions due to the retirement of C-5 aircraft and the conversion to C-17s; the completion of the C-141 associate unit conversion to C-17 aircraft; and the divestiture of the 3 remaining Air Force Reserve Combat Logistics Support Squadrons.

Air Force Reserve Program Data

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 75,322 | +778 | 76,100 | -2,100 | 74,000 |
| Civilian Personnel (FTEs) | 13,741 | +221 | 13,962 | +221 | 14,183 |
| Technicians (MEMO) | (9,538) | (+440) | (9,978) | (-24) | (9,954) |
| Total Aircraft Inventory (TAI) | 408 | -9 | 399 | +2 | 401 |
| Primary Authorized Aircraft (PAA) | 363 | -8 | 355 | +4 | 359 |
| Flying Hours (in 000's of hours) | 110.0 | +19.8 | 129.8 | -.2 | 129.6 |
| Major Installations | 13 | - | 13 | - | 13 |

RESERVE FORCES

ARMY NATIONAL GUARD

Program/Price Growth. The FY 2006 budget request for the Army National Guard increases by \$71.6 million from the FY 2005 level. The total increase includes a net increase of \$98.7 million for price growth and a net program decrease of \$27.1 million (-0.6 percent).

Program Discussion. The FY 2006 budget provides for the training and operations of 350,000 military end strength and supports an increase of 474 civilian full-time equivalents to 26,878 FTEs and a civilian end strength of 27,667. Major program increases include \$162.0 million in civilian pay due to pay raises and re-costing; \$42.0 million for Base Operations Support (BOS); \$40 million for Depot Maintenance; \$36 million Recruiting and Retention Initiatives; \$31 million for Training; \$27 million for Facilities Sustainment, Restoration and Modernization; \$26 million for Force Protection; \$24 million for Air OPTEMPO; \$23 million for Real Property Services; \$15 million for Tuition Assistance; \$13 million for Medical Readiness; \$9 million for Family Programs; \$5 million for Second Destination Transportation; \$5 million for Logistics Networks; \$4 million for Long Haul Communication; and \$3 million for RCAS. Major program decreases include -\$325 million for Business Reengineering Initiatives; -\$37 million for Unit Conversions; -\$36 million for Environmental Programs; -\$26 million for Mission Support; -\$25 million for Ground OPTEMPO; -\$9 million for Information Management; and -\$2 million for Military Support to Civil Authorities. Also factored in was \$27 million dollars of transfer (\$12 million Senior ROTC and \$15 million associated with the Fixed Wing Aircraft transfer from OMNG to OA 22); \$5 million one less compensable day and \$12 million for Hurricane supplemental.

Army National Guard Program Data

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 342,918 | +7,082 | 350,000 | - | 350,000 |
| Civilian Personnel (FTEs) | 23,774 | +2,630 | 26,404 | +474 | 26,878 |
| Technicians (MEMO) | (23,274) | (+2,630) | (25,904) | (+481) | (26,385) |
| Total Aircraft Inventory (TAI)/PAA | 1,418 | -36 | 1,382 | +2 | 1,384 |
| Flying Hours (in 000's of hours) | 235.7 | -47.8 | 187.9 | +6 | 194.0 |
| Total Installations * | 283 | - | 283 | - | 283 |
| Divisions (Includes Brigades below) | 8 | - | 8 | - | 8 |
| Brigades ** | 38 | -2 | 36 | -2 | 34 |

* Includes 110 Training Centers.

** Includes 2 in ARNG Division Redesign Study

RESERVE FORCES

AIR NATIONAL GUARD

Program/Price Growth. The FY 2006 budget request for the Air National Guard (ANG) increases by \$262.4 million from the FY 2005 level. This change includes a price increase of \$313.3 million and a net program decrease of \$50.9 million (-1.1 percent).

Program Discussion. The FY 2006 budget request supports 88 flying units, 261,000 flying hours, and 24,628 civilian full-time equivalents.

Major program changes include conversion at Hickam AFB from C-130s to an eight (8) PAA C-17 unit with the delivery of six (6) C-17s in FY 2006. This will be an associate unit with ANG and Active Air Force (AF). Active AF will own the airplanes and ANG will fund their share of technician pay and flying hours. Memphis continues its conversion from C-141s to an 8 PAA C-5 unit with the delivery of four (4) C-5s in FY 2007 (four (4) arriving in FY 2005). Martinsburg is converting from C-130s to a 10 PAA C-5 unit with seven (7) C-5s arriving in FY 2007 and three (3) in FY 2008. The C-130 program decreases resulting from these aircraft conversions and continued implementation of the Air Force's corporate mobility plan began in FY 2004 and schedules ANG to lose a total of thirty-two (32) C-130 aircraft by the end of FY 2007.

Other procurement funding of \$+94.2 million was transferred into O&M for items priced under \$250 thousand. Major drivers of program change include depot maintenance funding (\$-158.3 million); contractor logistics support (\$+46.1 million); C-17 Airlift Squadrons (\$+18.5 million); sustaining engineering (\$+12.9 million); facility restoration and modernization (\$-70.7 million); and C-130 Tactical Airlift Squadrons (\$-11.1 million).

Air National Guard Program Data

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve End Strength | 106,715 | -15 | 106,700 | +100 | 106,800 |
| Civilian Personnel (FTEs) | 22,862 | +1,339 | 24,201 | +427 | 24,628 |
| Technicians (MEMO) | (21,703) | (+1,188) | (22,891) | (+427) | (23,318) |
| Total Aircraft Inventory (TAI) | 1,326 | -33 | 1,293 | -7 | 1,286 |
| Primary Authorized Aircraft (PAA) | 1,127 | +14 | 1,141 | -14 | 1,127 |
| Flying Hours (in 000's of hours) | 279 | -6 | 273 | -12 | 261 |
| Major Installations | 3 | - | 3 | - | 3 |
| Other Operating Locations | 177 | - | 177 | -1 | 176 |

DEFENSE HEALTH PROGRAM

| <u>(\$ in Millions)</u> | | | | | | | |
|---|---------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| | <u>FY 2004 Actual</u> | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2005 Estimate</u> | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> |
| Operation & Maintenance | 16,978.9 | +961.5 | -637.9 | 17,302.5 | +1,035.6 | +909.0 | 19,247.1 |
| Procurement | 304.3 | +8.4 | +54.4 | 367.0 | +9.8 | -1.5 | 375.3 |
| RDT&E | 486.3 | +9.7 | +10.9 | 507.0 | +10.2 | -348.0 | 169.2 |
| Total Defense Health Program (DHP) | 17,769.5 | +979.6 | -572.6 | 18,176.5 | +1,055.6 | +559.5 | 19,791.6 |
| DoD Medicare Eligible Retiree Health Care Fund | | | | | | | |
| Care Fund | 4,901.0 | | | *5,465.8 | | | *5,813.1 |
| Total | 22,670.5 | | | 23,642.3 | | | 27,634.5 |

*Department's projection of DHP O&M receipts from the DoD Medicare Eligible Retiree Health Fund to pay for health care costs.

The medical mission of the Department of Defense (DoD) is to enhance DoD and our Nation's security by providing health support for the full range of military operations and sustaining the health of all those entrusted to the Departments care. The Defense Health Program (DHP) appropriation supports worldwide medical and dental services to the active forces and other eligible beneficiaries, veterinary services, medical command headquarters, graduate medical education for the training of medical personnel, and occupational and industrial health care.

The Department's managed care program, called "TRICARE", is designed to provide military families with access to quality care that is cost-effective. The TRICARE program provides medical care to about 9 million beneficiaries through a network of 70 military inpatient facilities, 409 military medical clinics, 417 dental clinics, 259 veterinary clinics, and 3 regional Managed Care Support (MCS) contracts valued at about \$6.4 billion in FY 2006. The TRICARE program offers a triple option benefit: (1) TRICARE Prime, a Health Maintenance Organization (HMO) style benefit requiring beneficiary enrollment; (2) TRICARE Extra, a Preferred Provider Organization (PPO) style benefit; and (3) TRICARE Standard, a fee-for-service option.

The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (P.L. 108-375) provided permanent, indefinite authority to finance the cost of TRICARE benefits accrued by uniformed service members. Previously, the military personnel accounts were required to pay the accrued costs, using annual appropriations. Since these costs are actually borne in support of the Department of Defense, they will be shown as part of the DoD discretionary total. Ten new accounts (not appropriations) corresponding to each of the existing military personnel accounts have been created to show the cost of these payments. Beginning in 2006, the appropriations requested for the military personnel accounts exclude funding to make the retiree health accrual payments.

DEFENSE HEALTH PROGRAM

Total obligations on behalf of military personnel include both the amounts requested for appropriation and amounts paid from the permanent, indefinite authority.

Operation and Maintenance Program

(\$ in Millions)

| | FY 2004 Actual | Price Change | Program Change | FY 2005 Estimate | Price Change | Program Change | FY 2006 Estimate |
|-------------------------|---------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| O&M Total | 16,978.9 | +961.5 | -637.9 | 17,302.5 | +1,035.6 | +909.0 | 19,247.1 |
| MERHCF Total | 4,901.0 | | | *5,465.8 | | | *5,813.1 |
| | 22,670.5 | | | 23,642.3 | | | 27,634.5 |

Program/Price Growth

The FY 2006 DHP budget request of \$19,247.1 million includes price growth of \$1,035.6 million and a net program increase of \$909.0 million.

Since the enactment of the TRICARE for Life benefit, an increasing number of retirees have selected TRICARE as their primary source of health insurance. The Department has budgeted to cover increased private sector care requirements due to the increase in both users and utilization experienced over the last two years. The budget request does not include resources to support Global War on Terrorism requirements.

The net program growth of \$909 million is composed of

Program Increases:

- o \$214.8 million for military to civilian/contractor personnel in support of the Department's Relieving Stress on the Force initiative,
- o \$120.1 million for increased resource sharing support,
- o \$55.3 million for pharmacy program growth above the approved inflation rate due to increased utilization and the entry of new drugs into the market place,
- o \$62.7 million for dental programs to increase dental readiness of the active force to Dental Class I,
- o \$897.4 million for increase in the private sector care to address the higher demands for healthcare and increased beneficiary utilization of the Military Healthcare System,

DEFENSE HEALTH PROGRAM

- \$11.9 million transfer from the Air Force for deactivation of C-9A aircraft requiring purchase of commercial tickets for patient movement,
- \$22.3 million for increase computer system sustainment and fielding of new technologies,
- \$8.8 million for the transfer of the Armed Forces Radiobiological Research Institute.

Program Decreases:

- \$321.0 million for reversal of expired NDAA 04 health care provisions for National Guard and Reserve members and their families,
- \$125.2 million for reversal of congressional increases,
- \$17.2 million reduction to contracts to meet Departmental guidance,
- \$12.0 million reversal of hurricane supplemental, and
- \$8.9 million transfer out in support of accident reduction initiatives and business process improvements.

The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005 (FY 2005 NDAA) established “TRICARE Reserve Select,” offering premium-based medical coverage for drilling reserve members and their family members, if they have served in a contingency operation since 9/11 and commit to continued service in the Selected Reserve. The TRICARE Reserve Select will be implemented in late April 2005. FY 2005 NDAA also made permanent other Title 10 United States Code Chapter 55. The total increase in FY 2006 for FY 2005 NDAA is estimated at \$606 million, mostly in the private sector demand.

DEFENSE HEALTH PROGRAM

Procurement Program

(\$ in Millions)

| | <u>FY 2004 Actual</u> | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2005 Estimate</u> | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> |
|---|---------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| Medical Equipment- Replacement/Modernization | 294.9 | +8.1 | +48.9 | 351.9 | +9.4 | +0.6 | 361.9 |
| Medical Equipment – New | | | | | | | |
| Facility Outfitting | 9.4 | +0.3 | +5.4 | 15.1 | +0.4 | -2.1 | 13.4 |
| Total | 304.3 | +8.4 | +54.3 | 367.0 | +9.8 | -1.5 | 375.3 |

Program/Price Growth

The DHP Procurement Program funds capital equipment purchases in support of the DoD health care program in military medical treatment facilities and other health activities worldwide. It includes equipment for initial outfitting of new, expanded, or altered health care facilities. Also funded is modernization and replacement of equipment past its useful life and automation equipment (IM/IT) in support of the entire Defense Health Program.

The FY 2006 Procurement budget request of \$375.3 million increases by \$8.3 million over the FY 2005 funding level. This growth consists of \$9.8 million in price growth and a \$1.5 million net program decrease.

The net \$1.5 million program decrease is composed of:

Program Increases:

- \$40.3 million increase due to equipment technology advances and a need to reduce procurement backlog,
- \$3.9 million increase for initial outfitting of a medical facility in Okinawa,
- \$3.3 million increase to fund Radio Frequency /Local Area Network secure systems

Program Decreases:

DEFENSE HEALTH PROGRAM

- \$45 million decrease due to one-time PAS perpetual enterprise license purchases in FY 2005 as well as the completed deployment of the Defense Medical Human Resources – Internet (DMHRS-I module 1); DMLSS deployment to 86 very small sites with FY 2005 funding; FY 2005 HIPAA compliance activities; the end user device replacement cycle; and adjustments to the Enterprise Wide Scheduling deployment schedule,
- \$1.4 million decrease to the adenovirus program and reduction to initial outfitting requirements for the hospital in Alaska,
- \$2.5 million to reverse one-time Congressional adds

Research, Development, Test and Evaluation (RDT&E) Program

(**\$ in Millions**)

| | FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
|------------------|-------------------------------|-------------------------|---------------------------|----------------|-------------------------|---------------------------|----------------|
| RDT&E | Actual 486.3 | +9.7 | +10.9 | 507.0 | +10.1 | -348.0 | 169.2 |

Program/Price Growth

The DHP RDT&E program funds health care related Information Management/Information Technology development and Small Business Innovative Research (SBIR).

The FY 2006 RDT&E program budget request of \$169.2 million reflects a net decrease of \$337.8 million below the FY 2005 funding level. This includes price growth of \$10.1 million and a net program reduction of \$348.0 million.

The net \$348.0 million program reduction is composed of:

Program Increases:

- \$45.2 million due to the development of support capabilities for Prospective Payment and Medical Surveillance, as well as development associated with TRAC2ES Full Operational Capability, Patient Accounting System, CHCS II, Enterprise Wide Scheduling, DMHRSi Enterprise Wide Provider Database Panel Management module, Patient Safety Reporting, and TRICARE On Line pre-planned product improvements,
- \$16.1 million functional transfer of medical labs from the Navy line to the DHP,
- \$3.9 million functional transfer of the Armed Forces Radiobiological Research Institute from the Director, Defense Research and Engineering to the DHP,

DEFENSE HEALTH PROGRAM

- \$2.4 million functional transfer of In-House Independent Laboratory Research from the Office of Naval Research to the DHP,
- \$19.0 million for the establishment of two modernization programs: 1) the Epidemiological Outbreak System (EOS) – an initiative that leverages and tests existing and emerging bio-defense technologies. EOS will provide a bio-defense system for early threat warning, rapid threat identification, and focused treatment/outbreak containment. 2) SuperVison - a human performance enhancement program that will maximize effectiveness for war-fighters and their ability to operate under adverse conditions in a high ops environment, especially at night.

Program Decreases:

- \$434.7 million decrease for FY 2005 congressional additions not continued in FY 2006

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

| (\$ in Millions) | | | | | | |
|-----------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| FY 2004 1/ <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| 953.3 | +17.0 | -63.8 | 906.5 | +18.7 | -29.5 | 895.7 |

Illegal drug use exacts a heavy toll on American society every year. Illegal drugs account for billions of dollars in direct and indirect costs including health care, lost revenue due to crime, social welfare costs and lost productivity. While cocaine continues to be the single most serious drug threat, heroin, synthetic drugs, methamphetamines, and marijuana are also serious. Additionally, there are clear linkages between international narcotics trafficking and international terrorism. Global and regional terrorists threatening United States' interests can finance their activities with the proceeds from narcotics trafficking.

The Drug Interdiction and Counterdrug Activities, Defense, appropriation is a central transfer account used to fund the Department's Counternarcotics (CN) Program. The Department of Defense (DoD) uses these resources to finance CN activities that fulfill its statutory responsibilities, use military-unique resources and capabilities, and advance the national priorities of the National Drug Control Strategy. DoD uses its counternarcotics authorities and funding to support efforts in the war on terrorism to implement the Department's Security Cooperation Guidance. The account provides inherent flexibility for the Department's CN program to respond effectively to the dynamic nature of the drug threat. It covers all CN resources with the exception of those resources for the Active components' military personnel, Service OPTEMPO, and military construction. The Services budget for the OPTEMPO portion of the program in their Operation & Maintenance appropriations.

In support of the National Drug Control Strategy and the U.S. Government's international and multi-agency approach to counter the flow of illegal drugs into the U.S., Congress authorized DoD to perform:

- mandatory counternarcotics detection and monitoring missions;
- DoD drug demand reduction activities;
- permissive counternarcotics support to domestic and host nation law enforcement and/or military forces; and
- other counternarcotics missions that support the war on terrorism, readiness, national security, and security cooperation goals.

DoD carries out these missions by:

- acting as the single lead federal agency to detect and monitor the aerial and maritime transit of illegal drugs toward the U.S.;
- collecting, analyzing and disseminating intelligence on drug activity;
- providing training for U.S. and foreign drug law enforcement agencies and foreign military forces with drug enforcement responsibilities; and,

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

- approving and funding Governors' State Plans for National Guard use, when not in federal service, to support drug interdiction and other counternarcotics activities, as authorized by state laws.

While the DoD carries out drug demand reduction programs consistent with the first national counternarcotics priority to maintain the Armed Forces as an effective fighting force, most of its activities combat drug activity and, incidentally, the movement of other threats to the U.S., its friends and allies. DoD executes drug detection and monitoring and other programs using military command, control, communications and intelligence resources, as well as military operational planning capabilities. The Demand Reduction, Domestic Support and International Support counter-narcoterrorism policies are built upon this general policy. Accordingly, DoD will focus on counternarcotics activities that will contribute to:

- The war on terrorism;
- Security Cooperation Guidance;
- Military readiness; and
- National Security.

Narrative Explanation of Changes:

The Department's CTA program request of \$895.7 million for FY 2006 for the Central Transfer Account reflects price growth of \$18.7 million and a program decrease of \$29.5 million over the FY 2005 level of \$906.5 million, which primarily reflects the FY 2005 congressional increases to the Department's counter-narcoterrorism program. The Department's FY 2006 counter-narcoterrorism budget will continue to fund, within fiscal constraints, an array of effective programs that support the National Drug Control Strategy and Department goals. Four mission areas encompass the scope of the Department's program. These mission areas are:

- **DEMAND REDUCTION (\$128.0M)**: The Department has assimilated the President's goal of a 25% reduction in drug use over three years into its strategic plan. The approach emphasizes prevention of drug use through pre-accession and random drug testing, anti-drug education and treatment. Emphasis is placed on deterring drug use through cost effective drug testing with punitive consequences for members who are identified as drug users.

A total of \$19.8 million is for the National Guard State Plans and Service outreach programs, and the Young Marines outreach program, and \$108.2 million is for the continued support of DoD Demand Reduction Programs. These funds support drug testing for active duty military, National Guard and Reserve personnel, and DoD civilian employees; drug abuse prevention/education activities for military and civilian personnel and their dependents; and drug treatment for military personnel.

- **DOMESTIC SUPPORT (\$199.1M)**: In light of the conflicts in Iraq and Afghanistan and the Department's continuing global war against terror, DoD will limit its domestic contributions to the war on drugs to those functions that are militarily unique and benefit the Department's primary missions. Domestic support includes translation, intelligence, communications, aerial and ground reconnaissance, transportation, border fence and road construction, eradication (excluding contraband destruction), and

DRUG INTERDICTION AND COUNTERDRUG ACTIVITIES, DEFENSE

training. Additionally, the Department committed to improving information sharing between DoD and law enforcement agencies in support of counter-narcoterrorism objectives.

This funding supports federal, state and local drug law enforcement agencies (DLEAs) requests for domestic operational and logistical support, and will assist the DLEAs in their efforts to reduce drug-related crime. Of this amount, \$151.7 million is for a portion of the total National Guard State Plans that supports domestic law enforcement efforts and the counter-narcoterrorism schools; \$14.1 million is for Domestic Operational Support, such as US Northern Command (NORTHCOM) counter-narcoterrorism support to DLEAs and Title 10 National Guard translation efforts; and \$33.3 million is for domestic detection and monitoring efforts (Tethered Aerostats).

- **INTELLIGENCE, TECHNOLOGY AND OTHER (\$139.6M)**: DoD will continue to provide critical intelligence support to national policies designed to dismantle narcotics trafficking and international terrorist organizations benefiting from drug trafficking. Most of the collection and analysis is unique, and is essential to the national and international efforts. The use of new technology continues to be instrumental in combating narcoterrorist activities. DoD will continue to test, evaluate, develop and deploy technologies that are used to collect and survey suspect narcoterrorist smuggling operations in air, land, or sea.

Intelligence programs collect, process, analyze, and disseminate information required for counter-narcoterrorism operations. Technology programs increase the Department's abilities to target narco-terrorist activity. A total of \$87.7 million is for counter-narcoterrorism intelligence support and analysis; \$25.8 million is for signal intelligence (SIGINT) collection and processing; \$12.2 million is for Service and SOCOM command and control programs; and \$13.9 million is for CN Technology efforts.

- **INTERNATIONAL SUPPORT (\$429.1M)**: DoD has expanded its counternarcotics mission to include targeting those terrorists groups worldwide that use narcotics trafficking to support terrorist activities. In order to support the war on terrorism, DoD will use its resources in regions where terrorists benefit from illicit drug revenue or use drug smuggling systems.

Counter-narcoterrorism programs support efforts in the U.S. Central Command, U.S. Southern Command, U.S. Pacific Command, and U.S. European Command Area of Responsibilities (AORs) to detect, interdict, disrupt or curtail activities related to substances, material, weapons or resources used to finance, support, secure, cultivate, process or transport illegal drugs. \$177.5 million supports operations in these AORs, including Section 1033 support; \$180.7 million is for detection and monitoring platforms and assets; and \$70.9 million is for AOR Command and Control support, including operations of Joint-Interagency Task Forces West and South.

1/ FY 2004 value displayed includes Supplemental funding (\$73 million).

ENVIRONMENTAL RESTORATION (ER) TRANSFER APPROPRIATIONS

| | (\$ in Millions) | | | | | | |
|--|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Environmental Restoration, Army | 394.1 | +7.8 | -2.0 | 399.9 | +8.4 | -0.4 | 407.9 |
| Environmental Restoration, Navy | 254.9 | +5.1 | +6.2 | 266.2 | +5.6 | +33.5 | 305.3 |
| Environmental Restoration, Air Force | 381.2 | +7.7 | +7.5 | 396.4 | +8.3 | +1.7 | 406.4 |
| Environmental Restoration, Defense-Wide | 23.7 | +0.5 | -0.6 | 23.6 | +0.5 | -1.0 | 23.1 |
| Environmental Restoration, Formerly Used Defense Sites (FUDS) | 284.2 | +5.7 | -24.0 | 265.9 | +5.6 | -44.5 | 227.0 |
| Total Environmental Restoration | 1,338.1 | +26.8 | -12.9 | 1,352.0 | +28.4 | -10.7 | 1,369.7 |

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination prior to 1986 from hazardous substances and wastes, and contamination prior to FY 2003 from unexploded ordnance (UXO), discarded military munitions, and munitions constituents at other than operational ranges; correction of other environmental damage; and the demolition and removal of unsafe buildings, structures, and debris. Until 1994, the Department spent the majority of the resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than to studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is the key tool used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution.

Also in FY 1996, the Department developed specific clean-up goals that have been briefed to the Congress, the regulator community, and the public. Accordingly, the Department funds its environmental restoration program to ensure the Military Departments and Defense Agencies meet all legal agreements and ensure compliance with DoD cleanup goals. As required by the Presidential Management Plan and the Office of Management and Budget (OMB) FY 2006 budget guidance, the current budget exhibits and justification make explicit links between the cleanup goals and the funded DoD program. The budget exhibits also clearly identify funding requirements for response actions to address UXO, discarded military munitions, and munitions constituents at other than operational ranges. As shown in the various Component DERA budget exhibits for FY 2006, Army, Navy, and Air Force cleanup

ENVIRONMENTAL RESTORATION (ER) TRANSFER APPROPRIATIONS

programs are essentially on schedule to meet the Department's cleanup goals; DLA is ahead of schedule, which is necessary in some cases to meet legal requirements and agreements with states and regulatory agencies; and FUDS is falling behind. The FUDS program is unique in that there are no physical boundaries such as a military installation fenceline to establish a finite limit of potential contaminated sites and the number of potential new FUDS sites is boundless. While investigations and analyses have been completed for most potential cleanup sites at our military installations, FUDS is still adding new sites. The FUDS baseline number of high relative risk sites for measuring against the DoD cleanup goals initially contained 224 sites in FY 1998. Since that time, an additional 182 high relative risk sites have been identified for a total of 406 sites. Of the 406 FUDS sites categorized as high relative risk, 171 sites have been removed from the list as of September 2004.

Between FY 2005 and FY 2006, the Department's Defense Environmental Restoration Program increases by \$17.7 million, reflecting price growth of \$28.4 million and programmatic reductions of \$10.7 million (-0.8 percent). The program decrease of \$10.7 million primarily consists of the discontinuance of a one-time congressional increase to the FUDS account in FY 2005.

FORMER SOVIET UNION THREAT REDUCTION

| (\$ in Millions) | | | | | | | |
|------------------|--------------|----------------|----------|--------------|----------------|----------|--|
| FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 | |
| Actual | +9.0 | -49.4 | Estimate | +8.5 | -1.2 | Estimate | |
| 448.6 | | | 408.2 | | | 415.5 | |

The FY 2006 budget contains \$415.5 million to dismantle delivery systems and prevent the proliferation of weapons of mass destruction in Former Soviet Union (FSU) countries. The budget request increased by \$7.3 million from the FY 2005 funding level. This includes \$8.5 million for price growth and a net program decrease of \$1.2 million. Programs with decreased funding include chemical weapons destruction (\$-56.4 million), weapons storage security (\$-1.4 million), Biological Weapons (BW) and Weapons of Mass Destruction (WMD) Proliferation Prevention (\$-9.4 million) and defense and military contacts (\$-.1 million). Programs with increased funding include strategic arms elimination (\$+25.3 million), Weapons Transportation Security (\$+30.0 million), and Other Programs (\$+10.8 million). The following table shows price and program changes from FY 2004 to FY 2006 for the major programs:

| | (\$ in Millions) | | | | | | | |
|--|------------------|--------------|----------------|--------------|--------------|----------------|--------------|--|
| | FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 | |
| | Actual | Change | Current | Actual | Change | Estimate | | |
| Strategic Offensive Arms Elimination - Russia | 55.6 | 1.1 | -4.2 | 52.5 | 1.1 | 25.3 | 78.9 | |
| Weapons Storage Security – Russia | 48.0 | 1.0 | 24.9 | 73.9 | 1.6 | -1.4 | 74.1 | |
| Weapons Transportation Security – Russia | 23.2 | .5 | -23.7 | 0 | | 30.0 | 30.0 | |
| Chemical Weapons Destruction – Russia | 200.3 | 4.0 | -46.4 | 157.9 | 3.4 | -52.8 | 108.5 | |
| Chemical Weapons Destruction – Albania | 10.3 | .2 | -6.9 | 3.6 | | -3.6 | | |
| BW Proliferation Prevention – FSU | 67.8 | 1.3 | -.4 | 68.7 | 1.4 | -9.3 | 60.8 | |
| WMD Proliferation Prevention – FSU | 29.4 | .6 | 9.9 | 39.9 | .8 | -.1 | 40.6 | |
| Defense and Military Contacts | .9 | - | 7.1 | 8.0 | .1 | -.1 | 8.0 | |
| Other Program Support | <u>13.1</u> | <u>.3</u> | <u>-9.7</u> | <u>3.7</u> | <u>.1</u> | <u>10.8</u> | <u>14.6</u> | |
| Total | 448.6 | 9.0 | -49.4 | 408.2 | 8.5 | -1.2 | 415.5 | |

The activities for the Former Soviet Union (FSU) Threat Reduction program for FY 2006 are as follows:

FORMER SOVIET UNION THREAT REDUCTION

Strategic Offensive Arms Elimination (SOAE) - Russia:

- Eliminate 4 road mobile ICBM regiments;
- Decommission 12 liquid fueled ICBM missile launchers;
- Transport, dismantle, and eliminate over 95 liquid and/or solid fueled ICBMs and SLBMs.

Nuclear Weapons Storage and Transportation Security - Russia:

- Enhances the security, safety, control and accounting of up to 4 nuclear weapons storage site identified by MOD;
- Supports movement and consolidation of nuclear weapons from Russian MOD operational sites to weapons dismantlement or secure storage facilities (funds 72 trainloads of deactivated nuclear warheads);
- Procure 16 cargo rail cars that support the transportation of nuclear weapons to dismantlement or secure storage facilities.

Biological Weapons (BW) Proliferation Prevention - FSU:

- Consolidates and secures or eliminate dangerous pathogen collections at six institutes;
- Targets collaborative research to encourage higher standards of openness, ethics, and conduct at the scientist level, and preempt potential “brain drain” of scientists to rogue states;
- Provides for central reference laboratories in Uzbekistan and Georgia.

Chemical Weapons (CW) Destruction - Russia:

- Continues funding for the CW destruction facility at Shchuch'ye to include equipment installation, systemization, and training program for operating personnel.

Weapons of Mass Destruction Proliferation Prevention - FSU:

- Enhances the capability of non-Russian FSU military, internal security forces, border guards and customs in Ukraine, Kazakhstan, Azerbaijan, and Uzbekistan to deter, detect, interdict illicit trafficking in WMD and related materials across borders and respond to WMD incidents at the borders and in country;
- FY 2006 funds will provide equipment, training, infrastructure and logistical support to these forces.

Defense and Military Contacts – FSU:

- Supports interaction between U.S. and FSU military forces to promote military reform and WMD nonproliferation (funds approximately 263 defense and military exchanges).

Other Program Support - FSU:

- Supports program to ensure CTR assistance is fully accounted for, used for the intended purpose effectively and efficiently;
- Maintains in-country support for the CTR program at six U.S. embassies;
- Provides non-government technical assistance to DoD.

OFFICE OF THE INSPECTOR GENERAL

| (\$ in Millions) | | | | | | |
|------------------|------------------------|--------------------------|-----------------|------------------------|--------------------------|-----------------|
| FY 2004 | Price <u>Change</u> | Program <u>Change</u> | FY 2005 | Price <u>Change</u> | Program <u>Change</u> | FY 2006 |
| <u>Actual</u> | <u>+5.5</u> | <u>+29.5</u> | <u>Estimate</u> | <u>+5.1</u> | <u>-2.1</u> | <u>Estimate</u> |
| 171.7 | | | 206.7 | | | 209.7 |

The Office of Inspector General (OIG) audits and investigates the programs and operations of the Department of Defense (DoD). The OIG also recommends policies and conducts activities to promote economy, efficiency, and effectiveness in DoD programs and operations by preventing and detecting fraud, waste and abuse. The Inspector General is the only DoD Officer qualified to issue opinions on the financial statements of the Department of Defense. The OIG also informs DoD management and Congress about the problems and deficiencies in programs and operations and the progress of corrective actions.

The FY 2006 budget includes \$209.7 million for the OIG, an increase of \$3.0 million over the FY 2005 level. The increase is composed of \$5.1 million for price growth and a net program fact of life decrease of \$2.1 million due to non-audit mission requirements. The estimate includes an increase of 5 civilian full-time equivalents (FTEs) for a total of 1,415. The net growth fully funds the agency's FTEs to support the increased financial statement audit workload demands related to DoD improvements in financial management and stewardship of resources as measured by the goal of achieving auditable financial statements.

The budget includes funds to support the Department's goal of achieving auditable financial statements (\$32.5 million), other audit missions (\$56.2 million), investigations (\$64.3 million), inspections (\$8.9 million), intelligence audits (\$3.6 million), plus administrative costs (\$43.2 million), and procurement (\$1.0 million).

OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND

| (\$ in Millions) | | | | | | |
|------------------|------------------------|--------------------------|---------|--------------------------|--------------------------|---------|
| FY 2004 | Price <u>Actual</u> | Program <u>Growth</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Growth</u> | FY 2006 |
| | | | | | | |
| 5.0 | - | +5.0 | 10.0 | - | +10.0 | 20.0 |

The Overseas Contingency Operations Transfer Fund (OCOTF) was established by the FY 1997 Department of Defense Appropriations Act to meet operational requirements in support of emerging contingency operations without disrupting approved program execution or force readiness. The OCOTF was established as a “no year” transfer account in order to provide additional flexibility to meet operational requirements by transferring the funding to the Military Components based on actual execution experience as events unfold during the year of execution. Between the fiscal years 1997 and 2001, the Department had been appropriated funds into the OCOTF to finance contingency operations that are so variable in their scope, duration, intensity they cannot be financed via DoD Component appropriations without causing a readiness impact.

Beginning in FY 2002, funds to finance the incremental cost of contingency operations in Bosnia, Kosovo, and Southwest Asia were included in the Services accounts vice the OCOTF because these operations had become stable enough to budget in the Component’s baseline appropriations. Therefore, in FY 2002, \$2,665.8 million was transferred from the OCOTF to the Components’ budgets.

The FY 2006 budget request of \$20.0 million in the OCOTF is for emerging contingency operations costs. The OCOTF is a permanent appropriation to be used only to finance contingency operations. New contingency requirements continually surface due to the dynamic international situation. The Military Departments, because of their relatively large Operation and Maintenance (O&M) accounts, are generally able to accommodate these new costs for a short time until other funding is available. However, the Defense Agencies, most notably the U.S. Special Operations Command (USSOCOM), and the combat support Defense Agencies, are less able to absorb the diversion of funds for these unforeseen contingency operations, making a small contingency fund vitally important.

The current account balance in the OCOTF is \$9.8 million. During FY 2004, a total of \$12.0 million was transferred to the Components operating accounts for non-Global War on Terrorism (GWOT) contingency operations. At the end of FY 2004 (September 30, 2004), the account balance stood at \$5 thousand because the remaining \$8.8 million had been transferred to the Marine Corps to reimburse them for costs associated with Operation Secure Tomorrow (Haiti). Because the OCOTF account ran out of funds, the Department was unable to reimburse the Marine Corps or the other Services for all the costs that they incurred in the operation. The \$10.0 million appropriated by the Congress in FY 2005 is not sufficient to address potential non-GWOT worldwide operations. The Department seeks to increase the funds balance in order to avoid the FY 2004 situation.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

| <u>(\$ in Millions)</u> | | | | | | |
|--|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| FY 2004 | Price Growth | Program Growth | FY 2005 Estimate | Price Growth | Program Growth | FY 2006 Estimate |
| <u>Actual^{1/}</u> 92.2 | +0.7 | -34.0 | 58.9 | +1.1 | +1.5 | 61.5 |

1. Includes \$35.5 million that was appropriated in the FY 2004 Emergency Supplemental Appropriations (P.L. 108-106).

The Overseas Humanitarian, Disaster and Civic Aid (OHDACA) program includes three segments: the Humanitarian Mine Action Program, the Humanitarian Assistance Program, and Foreign Disaster Relief Assistance. In broad terms, OHDACA programs support U.S. military forces in meeting two key requirements. The first is to maintain a robust overseas presence aimed at shaping the international security environment in a manner that deters would-be aggressors, strengthens friends and allies, and promotes peace and stability in regions of tension. The second requirement is for U.S. forces to respond effectively when called upon to assist the victims of storms, earthquakes, and other natural or manmade disasters. An excellent example is the recent Tsunami relief effort (Operation Unified Assistance) responding to humanitarian needs in the Indian Ocean area.

The OHDACA programs meet these needs by providing the regional Combatant Commanders (CoCom) with an unobtrusive, low cost, but highly effective vehicle to carry out their peacetime engagement missions, while providing a valuable training benefit for U.S. troops. Furthermore, OHDACA augments the CoCom capabilities to respond rapidly and effectively to humanitarian crises. In providing relief to areas of need, the U.S. military gains substantial training benefits and obtains access to regions important to U.S. interests. The OHDACA programs enhance readiness across a number of operational areas including: command, control, communication and intelligence (C3I); civil affairs; and logistical support.

The programs conducted under OHDACA are coordinated with the Department of State and approved by the Office of the Secretary of Defense to ensure U.S. Government (USG) unity of effort and compliance with national security and foreign policy interests. In the process of carrying out these activities, a small amount of funding efficiently fosters multiple USG goals.

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

The FY 2006 OHDACA budget request is \$61.5 million. The FY 2006 level represents an increase of \$2.6 million from the FY 2005 planned program (\$58.9 million). The details, by major category, are described below:

Humanitarian Mine Action Program and Funding

| | (\$ in Millions) | | |
|----------------------|------------------|----------------|----------------|
| | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
| Total Program | 2.8 | 10.0 | 10.0 |

The **Humanitarian Mine Action Program** requirement of \$10.0 million will support the geographical CoCom planned humanitarian demining activities. These CoCom plans include: assessments of newly designated countries; ongoing worldwide training operations; incremental funding of high-priority, emerging operations; and evaluations of current programs to determine if projected “end states” have been met.

Humanitarian Assistance Program and Funding

| | (\$ in Millions) | | |
|----------------------|------------------|----------------|----------------|
| | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
| Total Program | 45.2 | 41.5 | 42.3 |

The **Humanitarian Assistance Program** FY 2006 requirements of \$42.3 include: transportation; provision of excess property; and other targeted assistance for disaster preparedness and mitigation. Funding also provides for distribution of relief supplies; acquisition and shipment of transportation assets to assist in distribution; acquisition and provision of relief supplies; refurbishment and restoration of excess Defense equipment; storage of excess property; and inspection, packaging and intermediary warehouse storage until excess items can be delivered.

Foreign Disaster Relief Assistance/Emergency Response Funding

OVERSEAS HUMANITARIAN, DISASTER, AND CIVIC AID

| | (\$ in Millions) | | |
|----------------------|------------------|----------------|----------------|
| | FY 2004 | FY 2005 | FY 2006 |
| Total Program | 8.7 | 10.0 | 10.0 |

The **Foreign Disaster Relief Assistance/Emergency Response** estimate for FY 2006 is \$10 million. This funding supports the capacity of the Department, through the CoComs, to respond to natural and manmade disasters and to the humanitarian aspects of security crises. Among the activities covered by this item are transportation of emergency assistance during foreign disasters and programs to prepare for such activities. The emergency response program includes transportation, logistical support, search and rescue, medical evacuation, and refugee assistance, in the form of both supplies and services. Projects also include those that assist Non-Government Organizations (NGO) and recipient countries to build capabilities to respond to emergencies response, thereby, reducing the potential need for United States military involvement in crisis response.

SUPPORT FOR INTERNATIONAL SPORTING COMPETITIONS, DEFENSE

| FY 2004 <u>Actual</u> | Price <u>Growth</u> | Program <u>Growth</u> | (\$ in Millions) | | Price <u>Growth</u> | Program <u>Growth</u> | FY 2006 <u>Estimate</u> ^{1/} |
|--------------------------|------------------------|--------------------------|--|-----|------------------------|--------------------------|--|
| | | | FY 2005 <u>Estimate</u> ^{1/} | 0.5 | | | |
| 0.7 | - | - | | | - | - | 0.5 |

^{1/} Represents anticipated obligations.

The Support for International Sporting Competitions (SISC), Defense appropriation is a no-year appropriation that provides for continuing Department of Defense (DoD) support to international and special events that are certified by the Attorney General. Funds are still available from the FY 2003 DoD Appropriations Act (P.L. 107-248).

The Department is not requesting funds for FY 2006. The amount represented in the above table is total projected obligation, not Budget Authority. The current account balance in the SISC account is \$26.5 million, which is available until expended.

These funds are available to fund safety, security and logistical requirements for special events. Under the authority of 10 U.S.C., section 2564, the Department has the authority to assist Federal, State or local agencies in support of civilian sporting events, if the Attorney General certifies that such assistance is necessary to meet essential security and safety needs. The DoD provides this support through the SISC appropriation only as a supplier of last resort while ensuring that no degradation to readiness results from this effort. Such support is essential to the national responsibility of ensuring the safety of competitors participating and visitors attending these events.

The Department plans to use SISC funds in FY 2006 for support for international sporting competitions to include physical security, aviation, communications, explosive ordnance disposal, temporary facilities, related equipment, and the manpower costs associated with these requirements. In accordance with section 2564, the Department will notify the congressional oversight committees 45 days prior to obligation of SISC funds of the programs and activities to be financed.

IRAQ FREEDOM FUND

| (\$ in Millions) | | | | | | |
|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Actual*</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| 5,788.6 | +39.2 | -1,988.4 | 3,839.4 | +76.8 | -3,916.2 | - |

* The FY 2004 Actual column includes \$1,988.6 million from the FY 2004 Supplemental and \$3,800.0 million of Title IX funds.

The Iraq Freedom Fund (IFF) was initially established in Public Law 108-11, the Emergency Wartime Supplemental Appropriations Act for Fiscal Year (FY) 2003. In that legislation, Congress provided \$15,678.9 million in a special transfer account for the additional expenses of the ongoing military operations in Iraq and other operations and activities supporting the global war on terrorism. The funds may be used to finance the estimated partial costs of combat, stability operations (including natural resource risk remediation activities), force reconstitution, replacement of munitions and equipment and other costs. The IFF is a two-year account with special transfer authority that provides flexibility to meet operational requirements. As unanticipated costs associated with the war on terrorism emerge, the Secretary of Defense may decide to finance those requirements through IFF resources. The Department must notify the congressional defense committees in writing not fewer than five days prior to making transfers from the IFF. Following the notification period, the Secretary may transfer funds from the IFF to the Components' appropriations. As of the end of January 2005, the entire FY 2003/2004 IFF has been transferred to the Military Components and Defense Agencies.

Public Law 108-106, the Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan for FY 2004, provided \$1,988.6 million in the FY 2004/FY 2005 Iraq Freedom Fund. These funds may be used for the same purposes as the first IFF account with the exception that there is no authority to transfer funds to the research, development, test and evaluation appropriations. The FY 2004/2005 IFF is a two-year account with special transfer authority. The funds may be transferred five days after the Secretary has notified the congressional defense committees in writing of the intended transaction. As of the end of January 2005, all but \$25.9 million of the FY 2004/2005 IFF has been notified for transfer to the Military Components and Defense Agencies.

The Congress appropriated \$25.0 billion in the FY 2005 Defense Appropriations Act (P.L. 108-287), Title IX, war reserve contingency. The FY 2004/2005/2006 IFF is a three year transfer account with special transfer authority and was provided \$3,800.0 million of the Title IX funds. The funds may be transferred five days after the Secretary has notified the congressional defense committees in writing of the intended transaction. As of the end of January 2005, \$2,216.9 million has transferred to the Military Components and Defense Agencies. In addition, \$100 million was transferred to the U.S. Coast Guard for their operating expenses in support of Operation Iraqi Freedom.

AIR OPERATIONS

| | (\$ in millions) | | | | | | |
|---------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Army | 741.0 | -7.0 | +215.0 | 949.0 | +25.0 | -251.0 | 723.0 |
| Army Reserve | 27.1 | +0.1 | +13.9 | 41.1 | +1.1 | +1.9 | 44.1 |
| Army National Guard | 366.7 | +0.1 | -56.6 | 310.2 | +1.0 | +26.4 | 337.6 |
| Navy | 6,255.1 | +549.9 | -553.6 | 6,251.4 | +127.9 | +171.4 | 6,550.7 |
| Navy Reserve | 599.7 | +57.2 | -28.0 | 628.9 | +28.6 | +22.1 | 679.6 |
| Air Force | 16,542.9 | +921.3 | -3,798.8 | 13,665.4 | +1,083.2 | +2,368.7 | 17,117.3 |
| Air Force Reserve | 1,930.9 | +110.3 | +86.9 | 2,128.1 | +209.4 | +55.5 | 2,393.0 |
| Air National Guard | 4,462.4 | +282.3 | -320.0 | 4,424.7 | +312.4 | -51.4 | 4,685.7 |
| USSOCOM | 696.7 | +32.1 | -14.5 | 714.3 | +26.0 | -48.2 | 692.1 |
| Total | 31,622.5 | 1,946.3 | -4,455.7 | 29,113.1 | +1,814.6 | +2,295.4 | 33,223.1 |

NOTE: FY 2004 actuals include Supplemental funding.

To operate, to maintain, and to deploy aviation forces that support the national military strategy, the Air Operations activity funds the following activities: (1) day-to-day operational activities or air operations; (2) organizational, intermediate, and depot level maintenance; (3) institutional training; unit training and operational training; and (4) engineering and logistical support.

The FY 2006 budget request of \$33,223.1 million reflects a net increase of \$4,110.0 million above the FY 2005 estimate. This includes price growth of \$1,814.6 million and a net program increase of \$2,295.4 million.

ACTIVE ARMY

The Army's Land Forces Air Operations funds the combat major commands (MACOMs), as well as several other agencies and commands. The FY 2006 Flying Hour Program funds rotary wing aircraft at the average operating tempo (OPTEMPO) of 13.1 hours per crew per month.

The Land Forces Air Operations includes flying hours for the following programs:

- Drug Interdiction and Counter-Drug activities,
- Combat Aviation Training Brigade at Fort Hood (the Army's collective trainer for the AH-64D Apache Longbow program),

AIR OPERATIONS

- Combat Training Center support (National Training Center),
- Joint Readiness Training Center,
- Two training centers in Europe (the 7th Army Training Center and Combat Maneuver Training Center), and
- Several other smaller units.

The Land Forces Air Operations program also funds flying hours for fixed wing aircraft in intelligence, command, and theater aviation units as well as the hours for the training of pilots associated with Training Support XXI (Training Support Brigades), Reserve Officers Training Corps (ROTC) program, Multi-Force Operations, Eitem Egypt, and European Command (EUCOM) Headquarters.

The Army's Flight Training program supports the Army's flight training program at Fort Rucker (Initial Entry Rotary Wing courses through Advanced Pilot Training) which includes Flight School XXI (FSXXI). Also funded is the flight training programs at the Intelligence School at Fort Huachuca, the Infantry School at Fort Benning, and the Transportation Training Center at Ft. Eustis. It also funds flying hours for the non-training fleet in the Training and Doctrine Command and flying hours at the United States Military Academy.

The Servicewide Support program funds flying hours to support a small contingent of Army aircraft at the Army Materiel Command's (AMC) Corpus Christi Army Depot and at the Aviation and the Army Missile Command's (AMCOM) Navy Test Pilot School.

| <u>Funding Summary</u> | (\$ in millions) | | | | | | |
|-----------------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Land Forces Air Operations | 510.0 | -7.0 | +204.0 | 707.0 | +18.0 | -281.0 | 444.0 |
| Depot Maintenance | 172.5 | +2.7 | +79.1 | 254.3 | +3.3 | +62.0 | 319.6 |
| Flight Training | 230.0 | -1.0 | +13.0 | 242.0 | +7.0 | +29.0 | 278.0 |
| Servicewide Support | 1.0 | - | - | 1.0 | - | +1.0 | 2.0 |
| Total | 913.5 | -5.3 | +296.1 | 1,204.3 | +28.3 | -189.0 | 1,043.6 |
| | | | | | | | |
| <u>Program Data</u> | FY 2004 | | | FY 2005 | | | FY 2006 |
| | <u>Actual</u> | | <u>Change</u> | <u>Estimate</u> | | <u>Change</u> | <u>Estimate</u> |
| Primary Authorized Aircraft | 2,288.0 | | -141.0 | 2,147.0 | | -4.0 | 2,143.0 |

AIR OPERATIONS

| Total Aircraft Inventory | 2,896.0 | -392.0 | 2,504.0 | +13.0 | 2,517.0 |
|---------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| | FY 2004 | | FY 2005 | | FY 2006 |
| Program Data | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Flying Hours (000)* | 671.9 | -39.6 | 632.3 | -146.3 | 486.0 |
| Percent Executed | 105% | N/A | N/A | N/A | N/A |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Rotary Wing Programmed | 13.1 | - | 13.1 | - | 13.1 |
| Rotary Wing Executed* | 17.4 | N/A | N/A | N/A | N/A |

*FY 2004 executed flying hours and OPTEMPO include contingency operations (i.e., Operation Iraqi Freedom).

The FY 2006 budget request reflects a net decrease of \$-161 million below the FY 2005 level. This includes a price increase of \$28 million and a program decrease of \$-189 million.

Land Force Air Operations: The FY 2006 flying hour program supports an average OPTEMPO of 13.1 hours per crew per month. The FY 2006 budget request decreases \$-263 million from the FY 2005 level and includes a price increase of \$18 million and a program decrease of \$-281 million. The FY 2006 program decrease reflects a decrease in training events due to non-availability of units that are preparing to deploy, will be deployed, or are recovering from deployment in support of GWOT.

Depot Maintenance: The FY 2006 budget request increases \$65 million above the FY 2005 level and reflects a price increase of \$3 million and a program increase of \$62 million that reflects additional depot maintenance workload to repair crash-damaged aircraft and various other aircraft (non-airframe) end items.

Flight Training: The FY 2006 budget request increases \$36 million above the FY 2005 level and reflects a price increase of \$7 million and a program increase of \$29 million. The FY 2006 program increase reflects an increase in pilot and crew training input during FY 2006.

Servicewide Support: The FY 2006 budget request reflects a steady state program with minor program change.

AIR OPERATIONS

ARMY RESERVE

The Army Reserve's Training Operations fund aviation training and operational requirements. The program includes fuel, consumable repair parts, and depot level repair parts to maintain the fleet. The program supports both unit training and operations. The Army Reserve's fixed wing and rotary wing units support the requirements of the warfighting Combatant Commanders. The Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system.

| | (\$ in millions) | | | | | | |
|--------------------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Funding Summary | | | | | | | |
| Training Operations | 27.1 | +0.1 | +13.9 | 41.1 | +1.1 | +1.9 | 44.1 |
| Program Data | | | | | | | |
| Primary Authorized Aircraft | FY 2004 <u>Actual</u> | | | FY 2005 <u>Estimate</u> | | | FY 2006 <u>Estimate</u> |
| Primary Authorized Aircraft | 114 | | -2 | 112 | | - | 112 |
| Total Aircraft Inventory (TAI) | 114 | | -2 | 112 | | - | 112 |
| Flying Hours (000) | | | | | | | |
| Rotary | 14.8 | | -1.1 | 13.7 | | -0.5 | 13.2 |
| Fixed | 22.2 | | +3.8 | 26.0 | | - | 26.0 |
| Total | 37.0 | | +2.7 | 39.7 | | -0.5 | 39.2 |
| OPTEMPO: | | | | | | | |
| Rotary (Hours/Crew/Month) | 7.9 | | -1.3 | 6.6 | | -0.2 | 6.4 |
| Fixed (Aircraft Hours/Month) | 54.0 | | - | 54.0 | | - | 54.0 |

The FY 2006 budget request reflects a net increase of \$3 million. This includes a price increase of \$1 million and a program increase of \$2 million (+5 percent), which reflects increased rotary wing cost factors.

AIR OPERATIONS

ARMY NATIONAL GUARD

The Army National Guard's Training Operations program provides for training aircrew members, aviation units, and supported combined arms teams to achieve and sustain designated combat readiness. Resources support the utilization, maintenance, and overhaul of aviation assets and related support equipment to sustain unit capabilities. These funds are required to maintain and train units for immediate mobilization and to provide administrative support.

| | (\$ in millions) | | | | | | |
|-------------------------------------|------------------|-----------------|-------------------|-----------------|-----------------|-------------------|-----------------|
| | FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| <u>Funding Summary</u> | <u>Actual</u> | | | <u>Estimate</u> | | | <u>Estimate</u> |
| Flying Hour Program | 366.7 | +0.1 | -56.6 | 310.2 | +1.0 | +26.4 | 337.6 |
| Program Data | | | | | | | |
| Primary Authorized Aircraft | 1,319 | -36 | | 1,283 | +2 | | 1,285 |
| Total Aircraft Inventory | 1,442 | -45 | | 1,397 | +2 | | 1,399 |
| Flying Hours (000) | | | | | | | |
| Rotary | 235.7 | -47.8 | | 187.9 | +6.1 | | 194.0 |
| Fixed | 56.4 | +14.0 | | 70.4 | -24.9 | | 45.5 |
| Total | 292.1 | -33.8 | | 258.3 | -18.8 | | 239.5 |
| OPTEMPO: | | | | | | | |
| Rotary (Hours/Crew/Month) | 9.2 | -1.9 | | 7.3 | +0.3 | | 6.6 |
| Fixed (Aircraft Hours/Month) | 8.5 | +1.2 | | 9.7 | +0.6 | | 10.3 |

The FY 2006 budget request reflects a net increase of \$27.4 million. This includes a price change of \$1 million and a net program increase of \$26.4 million, which reflects increased requirements for modernization of the Army National Guard aviation system which is part of the Army Aviation Modernization Plan.

AIR OPERATIONS

ACTIVE NAVY

The Navy's Air Operations program funds the active Navy and Marine Corps operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, and logistical support to operate, maintain, and deploy aviation forces in support of the national military strategy. Navy Air Operations is subdivided into the following categories.

| | (\$ in millions) | | | | | | |
|----------------------------|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| Funding Summary | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Mission/Flight Operations | 3,365.6 | +262.0 | -681.8 | 2,945.8 | +199.4 | +429.3 | 3,574.5 |
| Fleet Air Training | 1,119.6 | +74.3 | -157.9 | 1,036.0 | +55.2 | -233.3 | 857.9 |
| Intermediate Maintenance | 77.9 | +3.0 | -15.2 | 65.7 | +1.6 | -8.6 | 58.7 |
| Air Ops and Safety Support | 131.2 | +2.9 | -25.5 | 108.6 | +1.8 | +3.9 | 114.3 |
| Air System Support | - | - | +464.0 | 464.0 | +4.5 | +5.0 | 473.5 |
| Depot Maintenance | 1,023.0 | +173.2 | -80.9 | 1,115.3 | -149.6 | -3.8 | 961.9 |
| Depot Operations Support | 57.4 | +1.8 | +11.1 | 70.3 | +1.3 | +52.5 | 124.1 |
| Combat Communications | 66.4 | +11.1 | -67.9 | 9.6 | +0.2 | -9.8 | - |
| Flight Training | 395.6 | +21.2 | -0.2 | 416.6 | +11.8 | -63.7 | 364.7 |
| Blue Angels | <u>18.4</u> | <u>+0.4</u> | <u>+0.7</u> | <u>19.5</u> | <u>+1.7</u> | <u>-0.1</u> | <u>21.1</u> |
| Total | 6,255.1 | +549.9 | -553.6 | 6,251.4 | +127.9 | +171.4 | 6,550.7 |

| Program Data | FY 2004 | FY 2005 | | | FY 2006 |
|-------------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Primary Authorized Aircraft | 2,409 | -42 | 2,367 | -50 | 2,317 |
| Total Aircraft Inventory (TAI) * | 3,131 | -324 | 2,807 | -30 | 2,777 |
| Total Flying Hours (000) | 1,152.1 | -23.0 | 1,129.1 | -138.1 | 991.0 |
| Tactical Fighter Wings | 10 | - | 10 | - | 10 |
| Average Crew Ratio | 1.41 | +0.01 | 1.42 | +0.13 | 1.55 |
| Hours Per Crew Per Month | 19.2 | - | 19.2 | -0.2 | 19.0 |
| Average T-Rating | T-2.3 | N/A | T-2.5 | N/A | T-2.3 |
| Naval Aviation Installations | | | | | |

AIR OPERATIONS

| <u>Program Data</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|---------------------|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| CONUS | 15 | - | 15 | - | 15 |
| Overseas | 8 | - | 8 | - | 8 |

* TAI includes Navy and Marine Corps Reserve aircraft.

The FY 2006 budget request increases by \$299 million above of the FY 2005 level, reflecting price increases of \$128 million and program increases of \$171 million above the FY 2005 level. The Primary Authorized Aircraft (PAA) decreases from FY 2005 to FY 2006 due to various force structure changes, including the retirement of S-3B squadron and the continued decommissioning of F-14s. In FY 2006, the flying hour budget is sufficient to achieve readiness and safety goals equivalent to those achieved in FY 2005. The Fleet Response Plan (FRP) began in FY 2004, which increases the Inter-Deployment Readiness Cycle to 27 months from 22 months, thus allowing for a decrease in average hours per crew per month and T-rating.

Mission/Flight Operations: The budget request reflects pricing growth of \$199.4 million and programmatic growth of \$429.3 million in FY 2006. This is a result of the transfer in of Fleet Flying Hour – Other (FO) support from Fleet Air Training (1A2A) and the remaining transfer of Strategic Communications (STRATCOMM) flight hour funding from Combat Communications (1C1C), along with increased FY 2006 fuel rates and various pricing and programmatic adjustments associated with type/model/series (TMS) flight hours changes and aircraft inventory.

Fleet Air Training: Fleet Air Training funding reflects a pricing growth of \$55.2 million and programmatic decrease of -\$157.9 million in FY 2006. The programmatic reduction is a result of the transfer of Fleet Flying Hour – Other (FO) support out of Fleet Air Training (1A2A) into Mission and Other Flight Operations (1A1A) and reduction in flight hours in accordance with student load plan and Fleet aircrew requirements.

Navy Intermediate Maintenance: Funding reflects price growth of \$1.6 million and programmatic decreases of -\$8.6 million in FY 2006. The decrease is associated with a realignment of the Fleet Weapons Support Team from Fleet Readiness Accounts into Weapons Maintenance (1D4D).

Air Operations and Safety Support: Air Operations and Safety Support funding reflects a price increase of \$1.9 million and a program increase of \$3.9 million in FY 2006. The programmatic increase is the result of emerging requirements in Combat Identification systems and civilian personnel.

AIR OPERATIONS

Air System Support: Air System Support was transferred to Budget Activity (BA) 1 (1A4N) from BA-4 (4B4N) in FY 2005. Funding reflects a price increase of \$4.5 million and a program increase of \$5.0 million in FY 2006. The programmatic increase is associated with Program Related Logistics Support.

Aircraft Depot Maintenance: Aircraft Depot Maintenance funding reflects a price decrease of \$-149.6 million and a net program decrease of \$-3.8M million in FY 2006. The programmatic decrease is the result of fewer required Standard Depot Level Maintenance (SDLM) and airframe inspections.

Aircraft Depot Operations Support: Aircraft Depot Operations reflects a price increase of \$1.3 million and a net program increase of \$52.5 million in FY 2006. The programmatic increase is the result of the implementation and accelerated deployment of the Navy Converged Enterprise Resource Planning (ERP) Program.

Combat Communications: Combat Communications reflects a price growth of \$0.2 million and a programmatic reduction of \$-9.8 million. This reflects the remaining transfer of the Strategic Communications (STRATCOMM) flight hour funding (E-6A/B TACAMO program) to Mission and Other Flight Operations (1A1A) and a decrease in “other support.”

Flight Training: Flight Training reflects price growth in FY 2006 of \$11.8 million and a program decrease of \$-63.5 million. The program decrease is attributable to the planned decrease in Pilot Training Rate (PTR)/Naval Flight Officer Training Rate (NFOTR) in conjunction with the implementation of the Human Capital Strategy, which, as implemented by the Navy, will reutilize approximately 15% of non-flying O-3/O-4/O-5's in filling required Fleet sea duty flying billets commensurate with the latest Inventory Production Plan (IPP).

Recruiting and Advertising: Recruiting and Advertising, which provides funding for the Blue Angels, remains relatively stable and continues to support 68 Blue Angels shows in FY 2006.

NAVY RESERVE

The Naval Air Reserve Force consists of 1 carrier air wing with a total of 7 squadrons, 1 long-range Anti-Submarine Warfare (ASW) patrol wing with a total of 7 squadrons, 1 helicopter wing with 5 squadrons, and 1 air logistics wing with 14 squadrons. The Fourth Marine Corps Air Wing (4th MAW) consists of 14 flying squadrons and supporting units, which are budgeted for and maintained by the Commander of the Naval Reserve Force. The Air Operations activity group provides funding for all aspects of Navy and Marine Corps Reserve air operations from flying hours to specialized training, maintenance, and associated support. The following table provides the funding for the programs supporting the Reserve Air Operations.

AIR OPERATIONS

| | (\$ in millions) | | | | | | |
|---------------------------------|------------------|-----------------|-------------------|-----------------|-----------------|-------------------|-----------------|
| | FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| <u>Funding Summary</u> | <u>Actual</u> | | | <u>Estimate</u> | | | <u>Estimate</u> |
| Mission/Flight Operations | 439.6 | +52.2 | -12.0 | 479.8 | +29.1 | +10.0 | 518.9 |
| Intermediate Maintenance | 18.8 | +0.5 | -2.8 | 16.5 | +0.4 | -0.6 | 16.3 |
| Air Ops and Safety Support | 2.3 | +0.1 | -0.8 | 1.6 | - | +0.6 | 2.2 |
| Depot Maintenance | 138.7 | +4.4 | -12.4 | 130.7 | -1.0 | +12.2 | 141.9 |
| Depot Operations Support | 0.3 | - | +0.1 | 0.4 | - | - | 0.4 |
| Total | 599.7 | +57.2 | -27.9 | 629.0 | +28.5 | +22.2 | 679.7 |
| <u>Program Data</u> | | | | | | | |
| | FY 2004 | | | FY 2005 | | | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | | <u>Estimate</u> | <u>Change</u> | | <u>Estimate</u> |
| Primary Authorized Aircraft | 381 | -9 | | 372 | -8 | | 364 |
| Total Aircraft Inventory (TAI)* | 406 | -20 | | 386 | -8 | | 378 |
| Total Flying Hours (000) | 141.9 | +8.8 | | 150.7 | -21.9 | | 128.8 |
| Tactical Fighter Wings | 1 | - | | 1 | - | | 1 |
| Hours Per Crew Per Month | 11.3 | -0.9 | | 10.4 | -1.4 | | 9.0 |
| Average T-rating | T-2.2 | N/A | | T-2.3 | N/A | | T-2.8 |

* TAI shown under the active account includes Navy and Marine Corps Reserve aircraft.

The FY 2006 request reflects a net increase of \$50.7 million above the FY 2005 funding level. This includes a price increase of \$29 million and real program growth of \$22 million (+3.5 percent) above FY 2005 level. Programmatic increases in FY 2006 reflect increases for consumption for Aviation Depot Level reparables (AVDLRs) and consumable parts across all aircraft types, as well as increased workload standards for depot maintenance.

ACTIVE AIR FORCE

The Air Force Air Operations funding provides the resources that support combat forces. These activities provide for the operational flying requirements of bomber, fighter, mobility, and training forces stationed in the United States as well as overseas. Also included are resources supporting: land based intercontinental ballistic missiles; air launched strategic and tactical missiles; electronic warfare and defense suppression missions; combat command, control, and communications; combat aircrew training; and associated combat related base support.

AIR OPERATIONS

Financing provides for the operating tempo, organizational and depot level maintenance, training, engineering support, logistical support, and base support to operate, maintain, and deploy aviation forces in support of the national military strategy. The Air Operations activity is subdivided into the following categories:

AIR OPERATIONS

| | (\$ in millions) | | | | | | |
|-----------------------------------|------------------|-----------------|-------------------|-----------------|-----------------|-------------------|-----------------|
| | FY 2004 | Price Change | Program Change | FY 2005 | Price Change | Program Change | FY 2006 |
| Funding Summary | Actual | | | Estimate | | | Estimate |
| Primary Combat Forces | 3,574.0 | +345.3 | -743.7 | 3,175.6 | +412.9 | +454.9 | 4,043.4 |
| Primary Combat Weapons | 327.3 | +8.1 | -13.1 | 322.3 | +9.3 | -44.4 | 287.2 |
| Combat Enhancement Forces | 485.6 | +15.4 | -51.6 | 449.4 | +17.8 | +139.8 | 607.0 |
| Air Operations Training | 1,179.5 | +80.7 | -61.0 | 1,199.2 | +123.4 | +78.5 | 1,401.1 |
| Combat Communications | 1,720.5 | +68.0 | -510.6 | 1,277.9 | +82.8 | +118.9 | 1,479.6 |
| Global C3I & Early Warning | 1,142.2 | +25.2 | -100.7 | 1,066.7 | +44.3 | +90.1 | 1,201.1 |
| Other Combat Ops Spt Programs | 746.2 | +23.4 | -188.5 | 581.1 | +25.9 | +94.9 | 701.9 |
| Airlift Operations | 3,036.2 | +128.5 | -1,826.2 | 1,338.5 | +202.3 | +1,119.3 | 2,660.1 |
| Flight Training | 728.9 | +62.5 | -11.0 | 780.4 | +73.7 | -45.0 | 809.1 |
| Arms Control | 36.0 | +1.2 | -1.5 | 35.7 | +1.4 | +11.1 | 48.2 |
| Security Programs | 1,085.7 | +24.1 | -83.6 | 1,026.2 | +23.9 | +315.1 | 1,365.2 |
| Depot Maintenance (All Air Force) | <u>2,480.8</u> | <u>+138.9</u> | <u>-207.3</u> | <u>2,412.4</u> | <u>+65.5</u> | <u>+35.5</u> | <u>2,513.4</u> |
| Total | 16,542.9 | +921.3 | -3,798.8 | 13,665.4 | +1,083.2 | +2,368.7 | 17,117.3 |

The FY 2006 budget request reflects a net increase of \$3,451.9 million above the FY 2005 funding level. This includes a price increase of \$1,083.2 million and program increases totaling \$2,368.7 million.

| Program Data | FY 2004 | | FY 2005 | | FY 2006 |
|--|---------------|------------|---------------|-----------|-----------------|
| | Actual | | Change | | Estimate |
| Primary Aircraft Authorized (PAA) | | | | | |
| Bomber | 123 | -3 | 120 | +3 | 123 |
| Fighter/Attack | 1,375 | -3 | 1,372 | -10 | 1,362 |
| Trainer | 925 | +16 | 941 | -12 | 929 |
| Airlift | 339 | -2 | 337 | -2 | 335 |
| Tanker | 252 | -16 | 236 | -8 | 228 |
| Other | <u>356</u> | <u>+14</u> | <u>370</u> | <u>+8</u> | <u>378</u> |
| Total | 3,370 | +6 | 3,376 | -21 | 3,355 |

| | <u>AIR OPERATIONS</u> | | | | |
|--|-----------------------|---------------|-----------------|---------------|-----------------|
| <u>Program Data</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Aircraft Inventory (TAI) | | | | | |
| Bomber | 167 | -5 | 162 | -13 | 149 |
| Fighter/Attack | 1,562 | +5 | 1,567 | -8 | 1,559 |
| Trainer | 1,286 | -154 | 1,132 | -7 | 1,125 |
| Airlift | 372 | -4 | 368 | -8 | 360 |
| Tanker | 280 | -11 | 269 | -8 | 261 |
| Other | <u>405</u> | <u>+15</u> | <u>420</u> | <u>+8</u> | <u>428</u> |
| Total | 4,072 | -154 | 3,918 | -36 | 3,882 |
| Flying Hours (000) | 1,355.9 | -76.6 | 1,279.3 | -40.1 | 1,239.2 |
| Percent Executed | 102% | N/A | N/A | N/A | N/A |
| Air Expeditionary Forces (AEF) | 10 | - | 10 | - | 10 |
| Crew Ratio (Average per Aircraft) | | | | | |
| Bombers | 1.34 | - | 1.34 | - | 1.34 |
| Fighters | 1.25 | - | 1.25 | - | 1.25 |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Bombers | 16.7 | -1.4 | 15.3 | -0.1 | 15.2 |
| Fighters | 16.9 | - | 16.9 | -0.5 | 16.4 |
| Primary Mission Capable (%) | | | | | |
| Bombers | 70.3 | -2.6 | 67.7 | +1.5 | 69.2 |
| Fighters | 80.2 | +0.7 | 80.9 | -1.5 | 79.4 |
| ICBM Inventory | | | | | |
| Minuteman III | 500 | - | 500 | - | 500 |
| Peacekeeper | <u>33</u> | <u>-16</u> | <u>17</u> | <u>-17</u> | <u>-</u> |
| Total | 533 | -16 | 517 | -17 | 500 |

AIR OPERATIONS

Primary Combat Forces: The FY 2006 budget request includes a price increase of \$412.9 million and a program increase of \$454.9 million. The program change is primarily driven by: fund transfers in from procurement for the F/A-22 (\$467.7 million); equipment transformation initiative (\$201.5 million); fund transfer in from the Transportation Working Capital Fund for fund restoration (\$3.1 million) and a decrease for Information Services Activity Group (\$-19.3 million); an increase in pay for military to civilian conversions, workyear assessment, manpower adjustments due to changes in mission requirements (\$22.4 million); an increase to the Common Configuration Implementation Program and F-16 Simulators Contract Logistics Support (\$8.0 million); an increase to the Competitive Sourcing and Privatization Program for the initiation of an A-76 Commercial Activities study (\$7.9 million); an increase in the Joint Mission Planning System (\$5.3 million); a decrease to the Flying Hour Program due to a change in hours and consumption (\$-165.9 million); a decrease to the Air Sovereignty Alert requirement since funding is moving from NORTHCOM to the Air National Guard Operation and Maintenance funding (\$-72.5 million); and a decrease to Engineering and Technical Services due to increase requirements for the F/A-22 and Common Configuration Implementation Program (\$-3.4 million).

Primary Combat Weapons: The FY 2006 budget request includes a price increase of \$9.3 million and a program decrease of \$-44.4 million. The program change is primarily driven by: increases for Minuteman Missile key maintenance equipment and changes to technical orders (\$4.5 million); increases to civilian pay due to military to civilian conversions and workyear assessments (\$3.9 million); critical sustainment to conventional Air Launched Cruise Missiles (\$3.4 million); and decrease due to deactivation of the Peacekeeper weapon system (\$-59.2 million).

Combat Enhancement Forces: The FY 2006 budget request includes a price increase of \$17.8 million and a program increase of \$139.8 million. The program change is primarily driven by: transfer from procurement for equipment transformation initiative (\$7.4 million) and transfer out for Information Services Activity Group (\$-.9 million); one time FY 2006 funding to provide equipment and data processing upgrades needed to support the Joint Worldwide Intelligence Communications System (\$8.3 million); increase to enhance Predator intelligence capabilities (\$85.3 million); Joint Information Warfare Operations increase to improve threat detection, counter capabilities, and crisis action planning (\$38.4 million); civilian pay increase due to military to civilian conversions (\$3.2 million); decrease in flying hour due to change in number of hours and/or consumption estimates (\$-2.3 million).

Air Operations Training: The FY 2006 budget request includes a price increase of \$123.4 million and a program increase of \$78.5 million. The program change is primarily driven by: transfer in from Transportation Working Capital Fund (\$9.9 million) and a transfer out to Information Services Activity Group (\$-5.5 million); one time FY 2006 increases for F-16 pilot adversary training (\$10.6 million); and overseas exercise support (\$7.1 million); Combat Air Forces training (\$77.9 million); Distributed Mission Operations (\$45.6 million); civilian pay and manpower adjustments (\$19.1 million); Readiness training (\$8.7 million); and a decrease in the Flying Hour Program due to change in hours and/or consumption estimates (\$-95.3 million).

Combat Communications: The FY 2006 budget request includes a price increase of \$82.8 million and a program increase of \$118.9 million. The program change is primarily driven by an increase due to the Transportation Working Capital Fund restoration (\$2.1 million); a decrease due to the transfer out of funds to the Information Services Activity Group (\$-5.8 million); an increase in

AIR OPERATIONS

Distributed Common Ground Systems that directly support the Predator and Global Hawk (\$59.3 million); an increase for critical equipment and flight crew/maintenance training for Airborne Warning and Control Systems (\$29.9 million); an increase for Air and Space Operations Center (\$29.6 million); an increase for the Competitive Sourcing and Privatization Program studies (\$9.1 million); an increase to civilian pay for military to civilian conversions, manpower changes, and adjusted workyear costs (\$6.6 million); and a decrease to the Flying Hour Program due to change in hours and/or consumption estimates (\$-12.9 million).

Global C3I & Early Warning: The FY 2006 budget request includes a price increase of \$44.3 million and a program increase of \$90.1 million. The program change is primarily driven by: an increase from Transportation Working Capital Fund (\$15.9 million); a decrease due to transfer to Information Services Activity Group (\$-2.8 million); an increase to Radar Warning Systems Primary Long Range Radars for contractor services supporting the operation and monitoring of long range radars that provide internal radar picture of continental US for Homeland Defense (\$40.6 million); an increase in support of Space Based Infrared System (\$32.5 million); an increase for Ballistic Missile Early Warning System site maintenance contracts (\$24.0 million); an increase for Military Satellite Communication (MILSATCOM) (\$18.8 million); an increase for civilian pay due to military to civilian conversions, workyear assessment, and manpower changes due to mission changes (\$14.7 million); an increase for Communications Inter-Continental Ballistic Missile (\$9.8 million); a increase to Space Program contractor support (\$8.0 million); increase for Global Command and Control Systems (\$6.3 million); an increase for Sea Launched Based Missile Radar Defense (\$4.4 million); a increase to US Strategic Command for homeland defense mission (\$4.1 million); a decrease for National Airborne Operations Center in direct support of four E-4B aircraft (\$-7.3 million); a decrease to the Space Program to fund contractor logistic support for the Combatant Commanders Integrated Command and Control System (\$-13.1 million); a decrease to Service Support to USSTRATCOM due to reduced contractor requirements providing support to the Unified Command Plan and Command Center upgrade (\$-10.6 million); a decrease to the Competitive Sourcing and Privatization Program (\$-3.2 million); and a decrease for one time Radar Defense FY 2005 costs (\$-51.1 million).

Other Combat Operations Support Programs: The FY 2006 budget request includes a price increase of \$25.9 million and a program increase of \$94.9 million. The program change is primarily driven by: an increase due to restoration of Transportation Working Capital Funds (\$1.7 million); a decrease due to transfer to Information Services Activity Group (\$-4.9 million); an increase for civil engineering in support of integrated global posturing and basing strategy (\$24.9 million); an increase for contractor support of Combat Air Intelligence (\$19.6 million); an increase for F/A-22 units at Air Combat Command through Combat Developments (\$8.1 million); an increase for Weapons of Mass Destruction Responder program and emergency response equipment (\$5.2 million); an increase for advanced space education and training through the Space Warfare Center (\$12.2 million); an increase to civilian pay for military to civilian conversions, workyear adjustments, and manpower changes due to mission changes (\$11.9 million); an increase for data processing support to Global Combat Support Systems (\$9.6 million); an increase to replace expired and highly used Nuclear, Biological, and Chemical warfare defense equipment (\$8.7 million); an increase to provide service support to COCOMs (\$0.2 million); an increase for Air Base Defense critical infrastructure protection and anti-terrorism/force protection (\$5.0 million); and a decrease to the Flying Hour Program due to change in number of hours and/or consumption estimates (\$-6.1 million).

AIR OPERATIONS

Airlift Operations: The FY 2006 budget request includes a price increase of \$202.3 million and a program increase of \$1,119.3 million. The program change is primarily driven by: funding transfers in for C-17 Contractor Logistics Support Transition from Interim Contractor Support (\$554.6 million), fund restoration from the Transportation Working Capital Fund (\$530.8 million), transfer out to Information Services Activity Group (\$-2.5 million) and transfer in for Equipment Transformation Initiative (\$31.2 million); an increase for Air Mobility Contractor Logistics Support for C-130 10 additional aircraft and C-17 15 additional aircraft (\$49.0 million); an increase in Air Mobility Warfare Center funding for additional manpower and course/exercise offerings (\$25.1 million); an increase in civilian pay due to military to civilian conversions, workyear assessments, and manpower changes due to adjustments in mission requirements (\$10.6 million); an increase for Aeromedical Evacuation (\$2.2 million); and decreases in the flying hour program due to a change in the number of hours and/or consumption estimates (\$-57.5 million) and Competitive Sourcing and Privatization Program (\$-24.2).

Flight Training: The FY 2006 budget request includes a price increase of \$73.7 million and a program decrease of \$-45.0 million. The program change is primarily driven by: a transfer out for Information Services Activity Group (\$-0.7 million); an increase for the Moody Air Force Base cost contract and labor cost (\$6.0 million); an increase for Competitive Sourcing and Privatization Program (\$2.0 million); and a decrease for the Flight Training Maintenance contract at Moody Air Force Base (\$-27.4 million); a decrease in the Flying Hour Program due to a change in hours and/or consumption estimate (\$-16.9 million); and a decrease in civilian pay due to workyear assessment (\$-8.2 million).

Arms Control: The FY 2006 budget request includes a price increase of \$1.4 million and a program increase of \$11.1 million. The program change is primarily driven by: an increase in the Flying Hour Program (\$5.7 million) and an increase to contractor support developing counter chemical, biological, radiological, and nuclear explosive standards and requirements (\$5.4 million).

Security Programs: The FY 2006 budget request includes a price increase of \$23.9 million and a program increase of \$315.1 million. The program change is primarily driven by: the transfer from procurement for Equipment Transformation Initiative (\$4.4 million); an increase in classified programs, details provided under separate cover upon request, (\$264.6 million); an increase in civilian pay due to workyear assessment, retained in-house workforce, and manpower changes due to mission changes (\$52.6 million); and a decrease in the Flying Hour Program (\$-6.4 million).

Depot Maintenance (Air Force-wide): The FY 2006 budget request funds Depot Purchase Equipment Maintenance (DPEM) at 78% of the active force requirement. It includes a price growth of \$65.5 million and program growth of \$35.5 million. The program growth funds Aircraft Engine Overhauls and Missile Engine Overhauls (\$10.5 million), Non-programmed Depot Maintenance (NPDM) Aircraft Depot Visits (\$13.4 million), Software (\$49.2 million), Depot Maintenance Exchangeables (\$0.7 million); offset by decreases in Programmed Depot Maintenance (\$-22.1 million) for the E-3, F-15 C/D, C-130 and B-52 airframes, Other Major End Items (\$-4.8 million) and a transfer to the Information Services Activity Group (\$-11.4 million).

AIR FORCE RESERVE

AIR OPERATIONS

AIR OPERATIONS

The Air Force Reserve Air Operations budget provides the resources to maintain and train units for immediate mobilization and to provide administrative support for the Air Reserve Personnel Center. The FY 2006 request provides for the operation and training of 73 flying units, 439 mission support units, 13 Air Force Reserve flying installations, and the flying and mission training of 74,000 Selected Reserve personnel. Activities supported include aircraft operations, base and depot level aircraft maintenance, medical treatment, civilian pay, travel, transportation, and maintenance of other equipment.

| | (\$ in millions) | | | | | | |
|---------------------------|------------------|------------------------|--------------------------|----------------|--------------------------|--------------------------|----------------|
| | FY 2004 | Price <u>Actual</u> | Program <u>Change</u> | FY 2005 | Price <u>Estimate</u> | Program <u>Change</u> | FY 2006 |
| Funding Summary | | | | | | | |
| Primary Combat Forces | 1,094.9 | +88.7 | +152.2 | 1,335.8 | +180.6 | +69.1 | 1,585.5 |
| Mission/Flight Operations | 104.8 | +3.3 | -33.4 | 74.7 | +2.0 | +8.8 | 85.5 |
| Depot Maintenance | 245.1 | +14.3 | +148.2 | 407.6 | +11.6 | -41.4 | 377.8 |
| Total | 1,444.8 | +106.3 | +267.0 | 1,818.1 | +194.2 | +36.5 | 2,048.8 |

| Program Data | FY 2004 | FY 2005 | | | FY 2006 |
|------------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Primary Aircraft Authorized | | | | | |
| Bomber | 8 | - | 8 | - | 8 |
| Fighter | 105 | - | 105 | - | 105 |
| Tankers | 72 | - | 72 | - | 72 |
| Airlift | 138 | -8 | 130 | +4 | 134 |
| Rescue | 18 | - | 18 | - | 18 |
| Weather Reconnaissance | 10 | - | 10 | - | 10 |
| Special Operations Forces | 12 | - | 12 | - | 12 |
| Total | 363 | -8 | 355 | +4 | 359 |

AIR OPERATIONS

| <u>Program Data</u> | FY 2004 <u>Actual</u> | | FY 2005 <u>Estimate</u> | | FY 2006 <u>Estimate</u> |
|---------------------------------------|--------------------------|---------------|----------------------------|---------------|----------------------------|
| | | <u>Change</u> | | <u>Change</u> | |
| Total Aircraft Inventory (TAI) | | | | | |
| Bomber | 9 | - | 9 | - | 9 |
| Fighter | 119 | +5 | 124 | -1 | 123 |
| Tanker | 76 | -4 | 72 | - | 72 |
| Airlift | 150 | -10 | 140 | +4 | 144 |
| Rescue | 20 | +1 | 21 | - | 21 |
| Weather Reconnaissance | 20 | -1 | 19 | -1 | 18 |
| Special Operations Forces | <u>14</u> | - | <u>14</u> | - | <u>14</u> |
| Total | 408 | -9 | 399 | +2 | 401 |
| | | | | | |
| Flying Hours | 110.0 | +19.8 | 129.8 | -0.2 | 129.6 |
| Flying Hours (\$) | 311.8 | +135.5 | 447.3 | +145.4 | 592.7 |
| | | | | | |
| Crew Ratios | | | | | |
| (Average per Aircraft) | | | | | |
| Bombers | 1.31 | - | 1.31 | - | 1.31 |
| Fighters | 1.25 | - | 1.25 | - | 1.25 |
| | | | | | |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Bombers | 17.1 | - | 17.1 | - | 17.1 |
| Fighters | 10.9 | - | 10.9 | - | 10.9 |
| | | | | | |
| Primary Mission Readiness (%) | | | | | |
| Bomber | 69 | +4 | 73 | - | 73 |
| Fighter | 70 | +1 | 71 | +3 | 74 |

The FY 2006 budget request increases \$230.7 million above the FY 2005 level. The price change is an increase of \$194.2 million and the program change is an increase of \$36.5 million.

AIR OPERATIONS

Primary Combat Forces (Air Operations): The FY 2006 budget request reflects a net increase of \$249.7 million. This includes a price increase of \$180.6 million and a program increase of \$69.1 million. The program increases include the C-130J aircraft transitioning to Contractor Logistics Support maintenance capability (\$21.6 million); the continuation of the unit conversion to C-17 unit equipped aircraft that began the fourth quarter of FY 2005 (\$28.6 million); the increased consumption of repairable and consumable spare parts supporting the flying hour program (\$27.8 million); a conversion to C-5 unit equipped aircraft beginning the first quarter of FY 2006 (\$32.4 million) and the continued transition to C-17 associated squadron (+11.2 million). Also included is an increase (\$49.0 million) in the Training, Test and Ferry (TTF) flying hour program. Decreases include the annualization of the FY 2005 C-141 unit equipped conversion to C-17 aircraft and an additional conversion to C-5 strategic airlift beginning in FY 2006 (\$-46.4 million); C-5 associate reduction due to the retirement of C-5 aircraft and the conversion to C-17s (\$-17.5 million); and the completion of the C-141 associate unit conversion to C-17 aircraft (\$-5.4 million).

Mission Support Operations: The FY 2006 budget request reflects a net increase of \$10.8 million. This includes a price increase of \$2.0 million and a program increase of \$8.8 million. The program increase is primarily attributed to increased air traffic control and support to sustain support at the current level.

Depot Maintenance: The FY 2006 budget request includes a net decrease of \$29.8 million. This includes a price increase of \$11.6 million and a program decrease of \$-41.4 million. The program decrease is due primarily to C-5 transfers and C-141 retirements.

AIR NATIONAL GUARD

The Air National Guard Air Operations program provides for the flying and maintenance of Air National Guard mission related aircraft. These funds also provide for the facilities, equipment, and manpower required to train, equip, and support the Air National Guard force structure at a combat readiness level that enables it to immediately assimilate into the active Air Force and to be capable of conducting independent operations in accordance with unit taskings.

| | (\$ in millions) | | | | | | |
|------------------------|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| <u>Funding Summary</u> | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Aircraft Operations | 2,526.1 | +209.8 | -94.6 | 2,641.3 | +266.5 | +30.3 | 2,938.1 |
| Mission/Flight Ops | 611.0 | +17.2 | -257.2 | 371.0 | +9.9 | +116.5 | 497.4 |
| Depot Maintenance | 665.9 | +40.3 | +43.4 | 749.6 | +21.0 | -157.7 | 612.9 |
| Total | 3,803.0 | +267.3 | -308.4 | 3,761.9 | +297.4 | -51.4 | 4,685.7 |

AIR OPERATIONS

| | FY 2004 <u>Actual</u> | Change | FY 2005 <u>Estimate</u> | Change | FY 2006 <u>Estimate</u> |
|--|--------------------------|-----------|----------------------------|------------|----------------------------|
| <u>Program Data</u> | | | | | |
| Primary Aircraft Authorized | | | | | |
| JSTARS | 14 | - | 14 | - | 14 |
| Fighter | 478 | +2 | 480 | -15 | 465 |
| Training | 102 | +5 | 107 | - | 107 |
| Tactical Airlift | 213 | -8 | 205 | -13 | 192 |
| Strategic Airlift | 20 | +4 | 24 | - | 24 |
| Tanker | 188 | +11 | 199 | - | 199 |
| Air Defense | 59 | +1 | 60 | +15 | 75 |
| Other | <u>53</u> | <u>-1</u> | <u>52</u> | <u>-1</u> | <u>51</u> |
| Total | 1,127 | +14 | 1,141 | -14 | 1,127 |
| Total Aircraft Inventory (TAI) | | | | | |
| JSTARS | 17 | +1 | 18 | - | 18 |
| Fighter | 566 | -11 | 555 | -13 | 542 |
| Training | 125 | -8 | 117 | - | 117 |
| Tactical Airlift | 222 | -7 | 215 | -17 | 198 |
| Strategic Airlift | 21 | +4 | 25 | - | 25 |
| Tanker | 234 | -23 | 211 | - | 211 |
| Air Defense | 74 | +8 | 82 | +24 | 106 |
| Other | <u>67</u> | <u>+3</u> | <u>70</u> | <u>-1</u> | <u>69</u> |
| Total | 1,326 | -33 | 1,293 | -7 | 1,286 |
| Flying Hours (000) | 279 | -6 | 273 | -12 | 261 |
| Tactical Fighter Wing Equivalents | 6.7 | - | 6.7 | - | 6.7 |

AIR OPERATIONS

| <u>Program Data</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|---------------------------------|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Crew Ratios | | | | | |
| (Average per Aircraft) | | | | | |
| JSTARS | 2.0 | - | 2.0 | - | 2.0 |
| Fighters | 1.5 | - | 1.5 | - | 1.5 |
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| JSTARS | 25.7 | - | 25.7 | - | 25.7 |
| Fighter | 10.6 | - | 10.6 | - | 10.6 |

The Air National Guard (ANG) FY 2006 budget increases \$261.0 million from FY 2005 reflecting price growth of \$312.4 million and program decreases of \$51.4 million.

Primary Combat Forces Aircraft Operations: The FY 2006 budget request reflects a net increase of \$296.8 million. This includes a price growth of \$266.5 million and a program increase of \$30.3 million. The program increases include increased Contractor Logistics Support (\$46.1 million); Military Technician Demobilization (\$26.2 million); C-17 Airlift Squadrons (\$18.5 million); Sustaining Engineering (\$12.9 million); and C-5 Strategic Airlift Squadrons. Decreases include Military and AF civilian adjustments and repricing (\$-38.7 million); C-130 Tactical Airlift Squadron (\$-11.1 million); and Air Sovereignty Alert (\$-10.5 million).

Mission Support Operations: The FY 2006 budget reflects a net increase of \$126.4 million above the FY 2005 level. This includes price increases of \$9.9 million and program increases of \$116.5 million. Major drivers of the program changes include Military Technician and AF civilian adjustments and repricing (\$15.7 million); and Distributed Common Ground System Sustainment (\$7.7 million).

Depot Maintenance: The FY 2006 budget reflects a net decrease of \$136.7 million from the FY 2005 level which includes price increases of \$21.0 million and program decreases of \$-157.7 million. The FY 2006 budget includes program decreases for aircraft programmed depot maintenance and engine maintenance.

AIR OPERATIONS US SPECIAL OPERATIONS COMMAND

The Air Operations funding for the U.S. Special Operations Command (USSOCOM) supports the manpower authorizations, Special Operations Forces (SOF) unique support equipment, flying hours, aircraft, necessary facilities, and the associated costs specifically identified and measurable to initial qualification and training of crews for SOF aviation operations and tactics. The funding supports operations of the Air Force Special Operations Command (AFSOC) and the U.S. Army Special Operations Command (USASOC).

| (\$ in millions) | | | | | | | |
|---------------------------------------|----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| Funding Summary | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| USSOCOM - SOF Operations | 696.7 | +32.1 | -14.5 | 714.3 | +26.0 | -48.2 | 692.1 |
| Program Data | | | | | | | |
| Primary Aircraft Authorized | FY 2004 | | | FY 2005 | | | FY 2006 |
| AFSOC | <u>Actual</u> | <u>Change</u> | | <u>Estimate</u> | <u>Change</u> | | <u>Estimate</u> |
| Tactical/Mobility | 88 | | +1 | 89 | | -1 | 88 |
| Training | <u>22</u> | <u>=</u> | | <u>22</u> | <u>+3</u> | | <u>25</u> |
| Total | <u>110</u> | | +1 | <u>111</u> | | +2 | <u>113</u> |
| USASOC | | | | | | | |
| Tactical/Mobility | 112 | | +8 | 120 | | +9 | 129 |
| Training | <u>23</u> | <u>+6</u> | | <u>29</u> | <u>-4</u> | | <u>25</u> |
| Total | <u>135</u> | | +14 | <u>149</u> | | +5 | <u>154</u> |
| Total Aircraft Inventory (TAI) | | | | | | | |
| AFSOC | | | | | | | |
| Tactical/Mobility | 104 | | -1 | 103 | | +3 | 106 |
| Training | <u>24</u> | <u>=</u> | | <u>24</u> | <u>+3</u> | | <u>27</u> |
| Total | <u>128</u> | | -1 | <u>127</u> | | +6 | <u>133</u> |

AIR OPERATIONS

| <u>Program Data</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|--|-----------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| USASOC | | | | | |
| Tactical/Mobility | 116 | +9 | 125 | +16 | 141 |
| Training | <u>30</u> | <u>+6</u> | <u>36</u> | <u>-4</u> | <u>32</u> |
| Total | 146 | +15 | 161 | +12 | 173 |
| Flying Hours (000) | | | | | |
| AFSOC | 47.2 | +1.7 | 48.9 | -7.9 | 41.0 |
| USASOC | <u>32.3</u> | <u>+6.3</u> | <u>38.6</u> | <u>-4.6</u> | <u>34.0</u> |
| Total | 79.5 | +8.0 | 87.5 | -12.5 | 75.0 |
| Crew Ratio (Average per Aircraft) | | | | | |
| AFSOC | 1.7 | - | 1.7 | - | 1.7 |
| USASOC | 1.4 | - | 1.4 | - | 1.4 |
| OPTEMPO | | | | | |
| AFSOC | 21.9 | -0.7 | 21.2 | -4.9 | 16.3 |
| USASOC | 14.6 | +0.4 | 15.0 | -2.8 | 12.2 |
| Primary Mission Readiness (%) | 75% | - | 75% | - | 75% |

* Air Force Special Operations Command (AFSOC)

** U.S. Army Special Operations Command (USASOC)

The FY 2006 budget reflects a net decrease of \$-22.2 million below the FY 2005 level. This includes price increases of \$26.0 million and program decreases of \$48.2 million (-6.7 percent). Program decreases includes decreased flying hour program and maintenance for the aircraft fleet.

BASE OPERATIONS SUPPORT

| | <u>FY 2004 Actual</u> | <u>Price Change</u> | <u>Program Change</u> | <u>(\$ in Millions)</u> | | <u>Price Change</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> |
|------------------------|---------------------------|-------------------------|---------------------------|------------------------------|---------------|-------------------------|---------------------------|-----------------------------|
| | | | | <u>FY 2005 Estimates</u> | <u>\$</u> | | | |
| Army | 5,948.8 | +190.3 | -738.8 | 5,400.3 | +50.7 | -103.2 | - | 5,347.8 |
| Navy | 3,331.7 | +80.4 | -225.6 | 3,186.5 | +65.7 | +165.0 | - | 3,417.2 |
| Marine Corps | 1,163.9 | +34.3 | -13.2 | 1,185.0 | +33.2 | +259.2 | - | 1,477.4 |
| Air Force | 6,747.3 | +260.4 | -2,135.2 | 4,872.5 | +128.0 | +421.7 | - | 5,422.2 |
| Army Reserve | 406.4 | +7.7 | -36.6 | 377.5 | +8.3 | +76.9 | - | 462.7 |
| Navy Reserve | 95.1 | +2.6 | +11.4 | 109.1 | +2.3 | -1.5 | - | 109.9 |
| Marine Corps Reserve | 34.5 | +0.6 | +2.4 | 37.5 | +0.5 | +37.2 | - | 75.2 |
| Air Force Reserve | 332.5 | +9.4 | -84.9 | 257.0 | +6.6 | +24.8 | - | 288.4 |
| Army National Guard | 721.4 | +10.1 | -145.6 | 585.9 | +12.3 | +12.0 | - | 610.2 |
| Air National Guard | 443.6 | +10.7 | -20.2 | 434.1 | +10.2 | +23.2 | - | 467.5 |
| Defense Health Program | 622.2 | +12.2 | +18.2 | 652.6 | +13.2 | -25.8 | - | 640.0 |
| Total | 19,847.4 | +618.7 | -3,368.1 | 17,098.0 | +331.0 | +889.5 | - | 18,318.5 |

* Values have been rounded.

Base Operations Support (BOS) provides the resources to operate the bases, installations, camps, posts, and stations of the Military Departments and the Defense Health Program (DHP). These resources provide personnel and infrastructure support to sustain mission capability, ensure quality-of-life, and enhance work force productivity.

- Personnel support includes: food and housing services for unaccompanied and deployed forces; religious services and programs; payroll support; personnel management; morale, welfare, and recreation services to military members and their families.
- Infrastructure support includes utility system operations; installation equipment maintenance; engineering services including fire protection, crash rescue, custodial, refuse collection, snow removal, and lease of real property; security protection and law enforcement; and motor pool transportation operations.

The FY 2006 budget request of \$18,318.4 million includes a net price increase of \$331.0 million and a net program increase of \$889.4 million (5.2 percent) above from the FY 2005 funding level. Specific changes are addressed in the following sections for each Active Component and Defense Health Program.

BASE OPERATIONS SUPPORT

| | Active Forces Program Data | | | | | |
|---------------------------------------|----------------------------|----------------------------|----------------------------|--------------------------|----------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Estimate</u> | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Estimate</u> |
| Number of Active Installations | | | | | | |
| CONUS | 231 | - | 231 | 1 | 232 | |
| Overseas | 116 | -1 | 115 | -1 | 114 | |
| Active Forces Personnel | | | | | | |
| Military (End-Strength) | 69,272 | -10,525 | 58,747 | -898 | 57,849 | |
| Civilian (Full-Time Equivalents) | 96,494 | 244 | 96,738 | 781 | 97,519 | |

Installations: Active installations in the United States increase by 1 in FY 2006 with the acquisition of Blount Island, Jacksonville, FL by the Marine Corps. There is a decrease of 2 overall in the active forces overseas installations from FY 2004 to FY 2006. The decrease is due to the Army transfer of Fort Buchanan, Puerto Rico, to the Army Reserve in FY 2004 and Navy closure of Naval Station Roosevelt Roads in FY 2005.

Personnel: The military end strength decreases in FY 2006 are due primarily to continued efforts to convert military positions to civilian or contractor positions. These conversions will alleviate the stress on the operating forces. The civilian personnel assigned to base support activities increase from FY 2005 to FY 2006 due to military to civilian conversions and enhanced force protection efforts.

| | <u>ARMY</u> | | | | |
|-------------------------------------|--------------------------|----------------------------|----------------------------|--------------------------|----------------------------|
| | (\$ in Millions) | | | | |
| | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Estimate</u> | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> |
| Active Funding Installations | | | | | |
| CONUS | 5,948.8 | -548.5 | 5,400.3 | -52.5 | 5,347.8 |
| Overseas | 55 | - | 55 | - | 55 |
| Personnel | | | | | |
| Overseas | 85 | -1 | 84 | - | 84 |

BASE OPERATIONS SUPPORT

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Military (End-Strength) | 4,797 | -2,776 | 2,021 | -179 | 1,842 |
| Civilian (Full-Time Equivalents) | 32,579 | -23 | 32,556 | -1,040 | 31,516 |

The Army's FY 2006 Base Operations Support (BOS) request of \$5,348 million reflects a net decrease of \$-52.5 million from the FY 2005 funding level. This net decrease includes price growth of \$50.7 million; an increase of \$103.2 million in foreign currency rate adjustments; a net functional transfer-out of \$-96.2 million; and a program decrease of \$-114.9 million. The major changes in FY 2006 include:

- Anticipated savings from the Army Business Reengineering Initiative (BRI) (\$-361.8 million). The BRI will examine existing practices to increase efficiency.
- Funds were added for contract security guards in the base budget instead of requesting funds in the FY 2005 Supplemental (\$103.4 million). The contract security guards will enhance force protection for personnel, installations, facilities, and critical resources from terrorist/criminal threats.
- Increased funds for utility cost increases and utility upgrades required as a result of utilities privatization (\$65.7 million).
- Increased funds for critical base operations services needed to adequately support soldiers, families, and infrastructure (\$42.7 million).

NAVY

| | (\$ in Millions) | | | | |
|---|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| | <u>FY 2004</u> <u>Actual</u> | <u>Change</u> | <u>FY 2005</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> |
| Active Funding | | | | | |
| Installations | | | | | |
| CONUS | 3,331.7 | -145.2 | 3,186.5 | 230.7 | 3,417.2 |
| Overseas | 83 | - | 83 | - | 83 |
| Personnel | | | | | |
| Military (End-Strength) | 15 | - | 15 | -1 | 14 |
| Civilian (Full-Time Equivalents) | 23,243 | -1,331 | 21,912 | -486 | 21,426 |
| | 17,464 | 1,128 | 18,592 | -340 | 18,252 |

BASE OPERATIONS SUPPORT

The Navy's FY 2006 Base Operations Support (BOS) request of \$3,417 million reflects a net increase of \$230.7 million from the FY 2005 funding level. This net increase includes price growth of \$65.7 million; a net functional transfer-out of -\$20.2 million; and a net program increase of \$185.3 million. The major changes in FY 2006 include:

- Functional transfer out of BOS to fund the Installation Protection Program (\$-25.2 million). Funding sustains physical security equipment at Navy installations world-wide and Anti-Terrorism/Force Protection support at shore installations.
- Increased funding to support the Navy's installation readiness goals (\$91.3 million). Funds port operations and air operations at capability level 2 (ability to execute most of the mission with degradation in both quantity and quality) and all other services at capability level 3 (ability to execute many but not all portions of the mission with degradation in both quantity and quality).
- Funds implementation costs for utilities privatization (\$56.8 million). Funds costs for conveyance of real property such as title transfers, environmental studies, and permits.
- Increased funding for the Morale, Welfare, and Recreation (MWR) program (\$59.3 million). Funding supports MWR at capability level 2 to provide appropriate quality of life support.

MARINE CORPS

| | (\$ in Millions) | | | | |
|----------------------------------|--------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | FY 2005 <u>Change</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Change</u> | FY 2006 <u>Estimate</u> |
| Active | | | | | |
| Funding | | | | | |
| Installations | | | | | |
| CONUS | 1,163.9 | 21.1 | 1,185.0 | 292.4 | 1,477.4 |
| Overseas | 20 | 1 | 21 | - | 21 |
| 3 | - | 3 | - | 3 | 3 |
| Personnel | | | | | |
| Military (End-Strength) | 10,478 | -1,694 | 8,784 | - | 8,784 |
| Civilian (Full-Time Equivalents) | 9,363 | -15 | 9,348 | 1,438 | 10,786 |

BASE OPERATIONS SUPPORT

The FY 2006 budget request for the active Marine Corps BOS reflects a net increase of \$292.4 million above the FY 2005 funding level. This net increase includes price growth of \$33.2 million, and a net program increase of \$259.2 million. Major changes include:

- Funding for the Marine Corps' effort to continue transition to a more cost effective workforce mix by converting "non-military essential" base support positions to either Marine Corps civilians or private sector contractors. The conversion will allow the Marine Corps to relieve the stress on the operating forces (\$63.7 million).
- Realignment of resources for the Navy Marine Corps Intranet (NMCI) from multiple activity groups to BOS (\$176.5 million).
- Increases for Legacy Service Support for information technology systems (\$8.9 million).

AIR FORCE

| | (\$ in Millions) | | | | |
|---|--------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | FY 2005 <u>Change</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Change</u> | FY 2006 <u>Estimate</u> |
| Active Funding Installations | 6,747.3 | -1,874.4 | 4,872.6 | 549.6 | 5,422.2 |
| CONUS | 65 | - | 65 | - | 65 |
| Overseas | 12 | - | 12 | - | 12 |
| Personnel | | | | | |
| Military (End-Strength) | 28,179 | -4,775 | 23,404 | -137 | 23,267 |
| Civilian (Full-Time Equivalents) | 37,302 | -983 | 36,319 | 483 | 36,802 |

The Air Force's FY 2006 Base Operations Support (BOS) request of \$5,422 million reflects a net increase of \$549.6 million from the FY 2005 funding level. This net increase includes price growth of \$128.0 million and a net program increase of \$421.6 million. The major changes in FY 2006 include:

- Increases for base services related supplies and contracts (\$99.7 million). Restores funding for various quality of life enhancements such as Child Development Centers, gymnasiums, and food service equipment.
- Increased funding for commercial transportation (\$63.4 million).

BASE OPERATIONS SUPPORT

- Funds maintenance, sustainment, and modernization of base communication infrastructure (\$64.9 million).
- Funds equipment and facility maintenance contracts (\$64.9 million).
- Increased funding for base maintenance contracts (\$56.4 million). Funds increased contract costs and Air Force installations world-wide.
- Funds competitive sourcing and privatization programs (\$37.0 million). Funds contract studies to determine if functions should be supported with Air Force civilians or contract labor.

DEFENSE HEALTH PROGRAM

| | (\$ in Millions) | | | | |
|---|--------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | FY 2005 <u>Change</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Change</u> | FY 2006 <u>Estimate</u> |
| Active Funding Installations | 622.2 | 30.3 | 652.5 | -12.5 | 640.0 |
| CONUS | 9 | - | 9 | - | 9 |
| Overseas | 1 | - | 1 | - | 1 |
| Personnel | | | | | |
| Military (End-Strength) | 2,575 | 51 | 2,626 | -96 | -2,530 |
| Civilian (Full-Time Equivalents) | 2,544 | -174 | 2,370 | 84 | 2,454 |

The Defense Health Program's (DHP) FY 2006 Base Operations Support (BOS) request of \$640 million reflects a net decrease of -\$12.5 million from the FY 2005 funding level. This net decrease includes price growth of \$+13.2 million and a net program decrease of \$-25.8 million. The major change in FY 2006 results from transfer of In-House Care for aseptic cleaning from BOS to health care delivery.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

| | (\$ in Millions) | | | | | | |
|------------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Army | 437.4 | +10.9 | -99.5 | 348.8 | +14.9 | +18.8 | 382.5 |
| Navy | 466.1 | +9.3 | -49.5 | 425.9 | +8.9 | +88.9 | 523.7 |
| Marine Corps | 38.0 | +0.6 | -0.1 | 38.5 | +0.7 | +1.6 | 40.8 |
| Air Force | 2,484.7 | +10.8 | -356.8 | 2,138.7 | +47.6 | +422.6 | 2,608.9 |
| Defense-Wide | 1017.7 | +18.6 | -143.2 | 893.1 | +15.8 | +1.6 | 910.5 |
| Army Reserve | 53.8 | +0.8 | +3.0 | 57.6 | +1.1 | +21.9 | 80.6 |
| Navy Reserve | 12.0 | +0.2 | -4.3 | 7.9 | +0.1 | +0.5 | 8.5 |
| Marine Corps Reserve | 7.0 | +0.1 | -0.6 | 6.5 | +0.1 | - | 6.6 |
| Air Force Reserve | 109.2 | +2.6 | -52.2 | 59.6 | +1.4 | -3.1 | 57.9 |
| Army National Guard | 102.6 | +1.6 | -2.4 | 101.8 | +2.7 | +14.3 | 118.8 |
| Air National Guard | 26.2 | +0.3 | -10.1 | 16.4 | +0.3 | +0.2 | 16.9 |
| Defense Health Program | 38.0 | +0.7 | +9.6 | 48.3 | +1.0 | -0.9 | 48.5 |
| Total | 4,792.7 | +56.5 | -706.1 | 4,143.1 | +94.6 | +566.4 | 4,804.2 |

Command, control, and communications (C³) resources provide seamless base level and worldwide communication networks for voice, data, and imagery traffic of sufficient quality, reliability, and flexibility to ensure responsive support to U.S. forces. This information infrastructure contains communications networks, computers, software, databases, applications, data, security services, and other capabilities that meet the information processing and transport needs of DoD users. The C³ program specifically funds telecommunications systems, leased circuits, and other services necessary for information transfer, messaging operations, and equipment associated with sending and receiving communications transmissions. Additionally, this program funds efforts to integrate command and control systems with communications in order to support the information needs of field commanders. The FY 2006 budget request of \$4,804.2 million includes price increases of \$94.6 million and a net program increase of \$566.4 million (13.7 percent) above the FY 2005 funding level.

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

| | (\$ in Millions) | | | | |
|--------------------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
| | FY 2004 | FY 2005 | FY 2006 | FY 2004 | FY 2006 |
| Program Data | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Communications</u> | <u>2,563.6</u> | <u>-443.9</u> | <u>2,119.4</u> | <u>+299.8</u> | <u>2,419.4</u> |
| Sustaining Base Communications | 1,396.8 | -276.6 | 1,120.0 | +152.1 | 1,272.2 |
| Long Haul Communications | 837.4 | -107.7 | 729.7 | +130.2 | 860.0 |
| Deployable and Mobile Communications | 329.4 | -59.6 | 269.7 | +17.5 | 287.2 |
| <u>Command and Control</u> | <u>1,596.1</u> | <u>-134.5</u> | <u>1,461.6</u> | <u>+193.7</u> | <u>1,655.1</u> |
| National | 617.7 | -138.6 | 479.1 | +79.2 | 558.2 |
| Operational | 754.3 | -4.5 | 749.8 | +63.6 | 813.3 |
| Tactical | 224.1 | +8.6 | 232.7 | +50.9 | 283.6 |
| <u>C3-Related</u> | <u>633.0</u> | <u>-71.0</u> | <u>562.0</u> | <u>+167.7</u> | <u>729.6</u> |
| Navigation | 91.6 | +0.6 | 92.2 | +15.7 | 107.9 |
| Meteorology | 175.9 | -24.9 | 151.0 | +41.7 | 192.7 |
| Combat Identification | 1.1 | +0.8 | 1.9 | +0.5 | 2.4 |
| Information Assurance Activities | 364.4 | -47.5 | 316.9 | +109.8 | 426.6 |
| Total | 4,792.7 | -649.4 | 4,143.0 | +661.2 | 4,804.1 |

Communications: Communications are an integral element of C³ and include sustaining base, long haul, and deployable and mobile forms of communications assets. Resources for sustaining base communications are almost exclusively fixed plant and installation support and provide the “backbone” and other communications infrastructure for CONUS and overseas locations. Funding for long-haul communications, largely comprised of the Defense Information Systems Network (DISN) costs, includes primarily voice and data services for all off-post connectivity, worldwide web, and other connectivity. The DISN is a combination of DoD-owned and leased telecommunications networks and subsystems comprised of equipment, services, personnel, and facilities under the management control and operational direction of the Defense Information Systems Agency (DISA). Resources for deployable and mobile communications include funding for systems and capabilities to extend communications into areas of operations, which are primarily provided through satellite systems and other wireless transmission means and constitute moveable or transportable

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

communications. The FY 2006 budget request of \$2,419.4 million reflects a total price and program growth of \$299.8 million (14.1 percent) over the FY 2005 funding level. The following are the significant changes:

- The Army's budget request includes program growth of \$50.0 million due to funds realignment for Tier-1 costs from the Defense Information Systems Agency to the Army in FY 2006. The Army Guard and Reserve requests include a \$36.2 million increase in sustainment base communications to support the C3 automation systems and acquire additional secured Communication and SIPRNET circuits and communication/satellite phones.
- The Navy's budget request includes program growth of \$51.6 million due to funds realignment for Tier-1 costs from the Defense Information Systems Agency to the Naval Network Warfare Command in FY 2006. The budget also includes program growth of \$11.6 million for phasing of life cycle maintenance for communications equipment and to support fielding of additional communication terminals.
- The Air Force's budget request includes program growth of \$235.8 million, which includes \$99.0 million for the heightened emphasis on improving Defense Information Operations. The focus will be to improve reliability and security of Air Force Communications infrastructure supporting network-centric warfare and ensuring rapid distribution of critical command and control (C2), intelligence and weather data. The budget also includes an increase of \$126.8 million due to the Global Information Grid (GIG) Bandwidth Expansion program, which greatly expands network transmissions capabilities between all DoD bases, and \$10 million for improvements to the Air Force's Global High Frequency System to provide electronic mail capability to Air Force pilots during oceanic overflights and to refurbish aging antennas.

Command and Control (C2): This category represents the facilities, systems, and manpower essential to a commander for planning, directing, coordinating, and controlling operations of assigned forces. These command and control capabilities cover the National Command Authority, through the joint operational and theater level echelon, and down to the front-line tactical elements. Additionally, this category includes funding for the Defense portion of the National Airspace System and other air traffic control activities. The FY 2006 budget request reflects a total price and program growth of \$193.7 million (13.3 percent) over the FY 2005 funding level. Major changes include:

- The Army's budget request includes a real program reduction of -\$21.8 million based on internal fund realignments.
- The Navy's budget request reflects real program growth of \$12.7 million for the operations, life cycle support, and IT maintenance for the Deployable Joint Command and Control (DJC2).

COMMAND, CONTROL, AND COMMUNICATIONS (C³)

- The Air Force's budget request includes real program growth of \$129.0 million that includes an increase of \$48.3 million in National programs to support, improve, and sustain radars to monitor air space over North America to improve detection of low altitude or small profile air-based threats and to fund newly negotiated cost-sharing agreement between Canada and the U.S. for the North Warning System. The Operational programs increase by \$57.7 million in support of several programs key to increasing reliance on satellite communication systems for command and control missions. Additionally, the Tactical programs increase by \$23.0 million to support Greenland Home Rule and avoid international incidents and maintain operations supporting missile Warning, Space Surveillance and Satellite Control.
- The Defense-Wide budget request includes total program growth of \$43.0 million which largely supports System Architecture and Engineering improvements, and the development, integration, fielding, operation and maintenance of the Global Combat Support System by the Defense Information Systems Agency (DISA).

C3-Related: This category includes various programs and functions related to, and supportive of, communications, command, and control requirements and includes both communications security and computer security. Included are communication resources to support navigation, meteorological reporting, combat identification that provides positive identification of friendly forces to prevent fratricide, and information assurance to protect information systems against denial of service and unauthorized (accidental or intentional) disclosure, modification, or destruction of the information system or data. The FY 2006 budget request reflects a total price and program growth of \$167.7 million (29.8 percent) above the FY 2005 funding level. The significant changes include:

- The Army's budget request includes price growth of \$4.2 million.
- The Navy's budget request includes real program growth of \$18.8 million for Information Security for core cryptologic information assurance products and support for network security systems, automated intrusion detection, "red team" operations, and integrated logistics support for Computer Network Defense equipment.
- The Air Force's budget request includes real program growth of \$57.8 million including: \$15.1 million for the conversion of Air Traffic Controller positions from military authorizations to civilian positions and for additional repairs and refurbishment of aging Air Traffic Control systems; \$39.2 million for Battlefield Airmen Individual Equipment, which is needed to equip personnel appropriately for ground combat situations; and \$3.5 million for the purchase of new secure communications telephone equipment.
- The Defense-Wide budget request includes real program growth of \$79.7 million due to numerous Information Assurance initiatives by DISA designed to enhance information assurance programs.

DEPOT MAINTENANCE

| | (\$ in Millions) | | | | | | |
|-------------------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Army | 2,000.6 | +31.6 | -1,015.4 | 1,016.8 | +13.2 | +199.9 | 1,229.9 |
| Navy | 5,657.4 | +360.1 | -262.2 | 5,755.3 | +5.1 | -114.5 | 5,645.9 |
| Marine Corps | 170.1 | -4.3 | -64.8 | 101.0 | -2.5 | +15.1 | 113.6 |
| Air Force | 2,480.8 | +138.9 | -207.3 | 2,412.4 | +65.5 | +35.5 | 2,513.4 |
| USSOCOM | 224.4 | +4.5 | +0.7 | 229.6 | +4.6 | +25.3 | 259.5 |
| Subtotal Active Forces | 10,533.3 | +530.8 | -1,549.0 | 9,515.1 | +85.9 | +161.3 | 9,762.3 |
| Army Reserve | 62.9 | +0.9 | +7.7 | 71.5 | +0.7 | +25.1 | 97.3 |
| Navy Reserve | 217.9 | +6.3 | -0.1 | 224.1 | +1.4 | -10.2 | 215.3 |
| Marine Corps Reserve | 10.2 | -0.3 | +1.6 | 11.5 | -0.3 | +2.8 | 14.0 |
| Air Force Reserve | 245.1 | +14.3 | +148.2 | 407.6 | +11.6 | -41.4 | 377.8 |
| Army National Guard | 190.5 | +2.3 | +37.8 | 230.6 | +1.5 | +23.3 | 255.4 |
| Air National Guard | 665.9 | +40.2 | +43.5 | 749.6 | +21.0 | -157.7 | 612.9 |
| Subtotal Reserve/Guard | 1,392.5 | +63.7 | +238.7 | 1,694.9 | +35.9 | -158.1 | 1,572.7 |
| Grand Total | 11,925.8 | +594.5 | -1,310.3 | 11,210.0 | +121.8 | +3.2 | 11,335.0 |

NOTE: The FY 2004 Actual column includes Supplemental Funding; the FY 2005 and FY 2006 columns do not include Supplemental funding.

Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft, missiles, ships, submarines, combat vehicles and other equipment. Depot maintenance efforts are performed at both public (DoD) and private (contractor) facilities. These efforts provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, and to renovate assets that are being transferred from active forces to reserve components. The FY 2006 Depot Maintenance budget request reflects a net funding increase of \$125 million above the FY 2005 funding level. This is comprised of \$121.8 million of price growth and a net program increase of \$3.2 million (+1.1 percent).

DEPOT MAINTENANCE

Price Growth

Of the overall \$+122 million price increase, \$+91 million is in aircraft maintenance with the balance spread across various components and maintenance categories.

Program Changes

Overall, there is a net program increase of \$+3.2 million. The program increases include \$+199.9 million in Active Army and \$+35.5 million in Active Air Force. The program increases are offset by program decreases of \$-114.5 million in Active Navy and \$-157.7 million in Air National Guard. The major programmatic changes are discussed below.

- The Army depot maintenance program increases by \$+248.3 million in FY 2006. The Active Army net program increase is \$+199.9 million, which is the result of program increases in aircraft and combat vehicles, communication equipment, and other heavy equipment offset by program decreases for the Business Reengineering Initiative. Of the increases, \$+50.0 million supports Bradley Fighting Vehicles, M60 tank chassis, and Field Artillery Ammunition Support Vehicles. The increase of \$+112.0 million in aircraft maintenance is a result of increased quantities associated with crash damage, helicopter overhaul and ground support equipment. The Army Reserve program increases \$+25.1 million in FY 2006 in support of other end items. Lastly, the Army National Guard program increases by \$23.3 million in FY 2006, primarily to support other end items and aircraft.
- The Navy depot maintenance program decreases by \$-124.7 million in FY 2006. The Active Navy program decreases by \$-114.5 million as a result of program decreases in ship maintenance (\$-43.0 million), aircraft maintenance (\$-3.8 million), and other depot maintenance (\$-68.0 million). The ship maintenance decrease results from a decrease in the number of ships undergoing maintenance and a decrease in the scope of anticipated repairs. The Navy Aircraft depot maintenance reflects a decrease in standard depot level maintenance (SDLM) repairs, phased depot maintenance (PDM) repairs, engine overhauls, and other maintenance actions. Other depot maintenance decreases are associated with expeditionary airfields and ship inactivation programs. The Reserve program decreases by \$-10.2 million primarily due to the decommissioning of four of the Reserve Force Mine Hunter, Coastal (MHC) ships.
- The Marine Corps depot maintenance program increases by \$+17.9 million in FY 2006. The Active Marine Corps program increases by \$15.1 million as a result of increases for combat vehicle maintenance (\$+52.0 million); decreases for other end item maintenance (\$-32.0 million) and ordnance maintenance (\$-4.9 million). The change in the Marine Corps Reserve program of \$+2.8 million is due to increases in Reserve combat vehicles (\$+3.7 million) and ordnance maintenance (\$+0.2 million) offset by decreases in other end item maintenance requirements (\$-1.1 million).
- The Air Force depot maintenance program decreases by \$-163.6 million in FY 2006. The Active Air Force program increases by \$+35.5 million and includes Aircraft Engine and Missile Engine Overhauls (\$+10.9 million), Non-programmed Depot

DEPOT MAINTENANCE

Maintenance (NPDM) Aircraft Depot Visits (\$+13.1 million), Software (\$+49.0 million), and Depot Maintenance Exchangeables (\$+.9 million). The program increases were offset by decreases in Programmed Depot Maintenance (\$-21.9 million) for the E-3, F-15 C/D, C-130 and B-52 airframes, Other Major End Items (\$-5.2 million) and a transfer to the Information Services Activity Group (\$-11.3 million). The Air Force Reserve depot maintenance program decreases by \$-41.4 million in FY 2006 due to C-5A transfers and C-141 retirements. The net change of \$-157.7 million in FY 2006 for the Air National Guard maintenance program is attributed primarily to reduced PDM requirements for the KC-135E/R, C-141 and F-15A aircraft (\$-211.0 million). The program decreases were partially offset by increased KC-135R PDM and engine overhauls and increased engine overhauls for the E-8 JSTARS, F-15 A/B, C-130E, and F-16 C/D.

- The Special Operations Command (SOCOM) depot maintenance program increases by \$+25.3 million (+11 percent) in FY 2006. The major components of the program increase are: Psychological Operations systems (\$+7.5 million), Communication and Automation systems (\$+5.6 million), the Advanced Seal Delivery System (\$+4.4 million), Rigid Hull Inflatable Boats (\$+2.5 million), and Intelligence Systems (\$+3.2 million).

Maintenance Backlog

Between FY 2005 and FY 2006, depot maintenance funding increases by \$125.0 million (+1.1 percent), but the percentage of funded executable requirements remains unchanged from 81 percent in FY 2005 (\$11,210 million of \$13,882 million executable requirement is funded) to 81 percent in FY 2006 (\$11,355 million of \$14,048 million executable requirement is funded). Executable requirements are those maintenance requirements that can be accommodated within current physical depot maintenance capacity. The FY 2006 budget maintains maintenance funding at FY 2005 levels. (The FY 2005 column does not include funding to be provided in the FY 2005 Emergency Wartime Supplemental.) The table on the following page displays funded and financial backlog amounts for depot maintenance:

DEPOT MAINTENANCE

(\$ in Millions)

| | FY2004/2005 | | | | FY 2005/2006 | | | | FY 2006 | |
|-----------------------|-----------------------|-------------------------|--------------------------------------|-----------------------|-------------------------|--------------------------------------|-----------------------|-------------------------|---------|--|
| | FY 2004 | | Change in Unfunded Requirement | FY 2005 | | Change in Unfunded Requirement | FY 2006 | | | |
| | Funded Requirement | Unfunded Requirement | | Funded Requirement | Unfunded Requirement | | Funded Requirement | Unfunded Requirement | | |
| Army * | 2254.0 | 1070.4 | -932.0 | 1319.0 | 658.5 | 313.8 | 1602.5 | 614.5 | | |
| Aircraft | 252.9 | 267.1 | 106.3 | 356.2 | 177.6 | 70.7 | 426.9 | 114.9 | | |
| Combat Vehicle | 541.0 | 161.4 | -249.5 | 291.5 | 70.7 | 100.4 | 391.9 | 188.7 | | |
| Other | 1460.1 | 641.9 | -788.8 | 671.3 | 410.2 | 142.7 | 783.7 | 310.9 | | |
| Navy * | 5,875.2 | 347.9 | 104.0 | 5,979.5 | 546.0 | -118.3 | 5,860.9 | 638.2 | | |
| Ship | 3,999.0 | 101.6 | -36.9 | 3,962.2 | 153.9 | 77.1 | 4,039.3 | 125.7 | | |
| Aircraft | 1,161.6 | 49.1 | 84.3 | 1,246.0 | 202.8 | -142.1 | 1,103.8 | 287.3 | | |
| Other | 714.6 | 197.2 | 56.6 | 771.3 | 189.3 | -53.3 | 717.8 | 225.2 | | |
| Marine Corps * | 180.3 | 48.0 | -67.6 | 112.7 | 104.6 | 15.1 | 127.8 | 122.1 | | |
| Combat Vehicle | 77.0 | 35.6 | -44.5 | 32.5 | 75.8 | 55.4 | 87.9 | 69.0 | | |
| Other | 103.3 | 12.4 | -23.1 | 80.2 | 28.8 | -40.3 | 39.9 | 53.1 | | |
| Air Force * | 3,391.8 | 2.5 | 15.3 | 3,569.5 | 1,360.2 | 41.4 | 3,504.1 | 1,318.5 | | |
| Aircraft | 1,706.8 | 0.0 | 129.1 | 1,910.1 | 627.7 | -119.5 | 1,773.4 | 724.8 | | |
| Other | 1,685.0 | 2.5 | -113.8 | 1,659.4 | 732.5 | 160.9 | 1,730.7 | 593.7 | | |
| USSOCOM | 224.4 | 0 | 0 | 229.6 | 2.3 | 2.3 | 259.5 | 0 | | |
| Aircraft | 138.1 | 0 | 0 | 135.6 | 0 | 0 | 140.4 | 0 | | |
| Other | 86.3 | 0 | 0 | 94 | 2.3 | 2.3 | 119.1 | 0 | | |
| Total | 11,925.7 | 1,468.8 | -880.3 | 11,210.3 | 2,671.6 | 254.3 | 11,354.8 | 2,693.3 | | |
| Ship | 3,999.0 | 101.6 | -36.9 | 3,962.2 | 153.9 | 77.1 | 4,039.3 | 125.7 | | |
| Aircraft | 3,259.4 | 316.2 | 319.7 | 3,647.9 | 1,008.1 | -190.9 | 3,444.5 | 1,127.0 | | |
| Combat Vehicles | 618.0 | 197.0 | -294.0 | 324.0 | 146.5 | 155.8 | 479.8 | 257.7 | | |
| Other | 4,049.3 | 854.0 | -869.1 | 3,276.2 | 1,363.1 | 212.3 | 3,391.2 | 1,182.9 | | |

*Includes Active, Reserve and Guard Component Programs

ENVIRONMENTAL PROGRAMS

| | FY 2004 <u>Actual</u> | Price Change | Program Change | FY 2005 <u>Estimate</u> | Price Change | Program Change | FY 2006 <u>Estimate</u> |
|--|--------------------------|-----------------|-------------------|----------------------------|-----------------|-------------------|----------------------------|
| Environmental Restoration | 1,338.1 | +26.8 | -12.9 | 1,352.0 | +28.4 | -10.7 | 1,369.7 |
| Environmental Compliance | 1,654.9 | +33.1 | -22.0 | 1,666.0 | +35.0 | -139.8 | 1,561.2 |
| Environmental Conservation | 157.6 | +3.2 | +14.5 | 175.3 | +3.5 | +26.1 | 204.9 |
| Pollution Prevention | 116.0 | +2.3 | +23.3 | 141.6 | +3.0 | -1.2 | 143.4 |
| Environmental Technology | 267.2 | +5.3 | +1.1 | 273.6 | +5.7 | -73.2 | 206.1 |
| Base Realignment & Closure (BRAC) | 361.3 | +7.2 | -40.3 | 328.2 | +6.9 | +114.0 | 449.1 |
| Total Environmental Program* | 3,895.1 | +77.9 | -36.3 | 3,936.7 | +82.5 | -84.8 | 3,934.4 |

* Includes environmental funding for all DoD appropriations/funds, not just those funded in the operation and maintenance (O&M) title.

The Department of Defense Environmental Program addresses five overriding and interconnected goals: (1) to support the readiness of U. S. Forces by ensuring access to air, land, and water for training and operations; (2) to improve the quality of life by protecting military personnel and families from environmental, safety, and health hazards; (3) to ensure that weapons systems, logistics, installations, et. al., have greater performance, lower total ownership costs, and minimal health and environmental effects; (4) to serve customers, clients, and stakeholders through public participation and advocacy; and (5) to enhance international security through military-to-military cooperation. To help achieve these goals, the Department established its environmental program around five pillars -- cleanup, compliance, conservation, pollution prevention, and environmental technology. Much of this program is addressed in the Defense Environmental Annual Report to Congress. The FY 2006 budget request of \$3,934.4 million decreases by \$2.3 million, which includes price growth of \$82.5 million and a net program reduction of \$84.8 million (-2.1 percent). The reduction primarily reflects a discontinuance of one-time FY 2005 congressional adds, completion of some long term projects to meet compliance requirements, and significant investment to accelerate progress in closing BRAC installations and completing BRAC cleanup activities. Each of the Department's environmental pillars is discussed below.

Environmental Restoration

The Department's Environmental Restoration program focuses on reducing the risks to human health and the environment at active installations and Formerly Used Defense Sites (FUDS), while ensuring that DoD environmental cleanup policy conforms to existing laws and regulations. The DoD Environmental Restoration appropriations provide for: the identification, investigation, and cleanup of past contamination prior to 1986 from hazardous substances and wastes, and contamination prior to FY 2003 from unexploded ordnance (UXO), discarded military munitions, and munitions constituents at other than operational ranges; correction of other environmental damage; and the demolition and removal of unsafe buildings, structures, and debris. Until 1994, the Department spent

ENVIRONMENTAL PROGRAMS

the majority of the resources documenting the magnitude of the cleanup problem on DoD lands, a significant but necessary investment. In 1994, DoD turned the corner, by devoting more resources to actual cleanup than to studies. As a result, the pace of restoration has increased while more sites continue to be cleaned up and closed out. In FY 1996, DoD began a relative risk approach to environmental cleanup. This process enables the Department to prioritize cleanup activities that pose the greatest danger to the health and safety of the environment and public in the context of regulatory agreements. The relative risk process is the key tool used by the Department in the planning, programming, and budgeting of the cleanup program as well as its execution.

Also in FY 1996, the Department developed specific clean-up goals that have been briefed to the Congress, the regulator community, and the public. Accordingly, the Department funds its environmental restoration program to ensure the Military Departments and Defense Agencies meet all legal agreements and ensure compliance with DoD cleanup goals. As required by the Presidential Management Plan and the Office of Management and Budget (OMB) FY 2006 budget guidance, the current budget exhibits and justification make explicit links between the cleanup goals and the funded DoD program. The budget exhibits also clearly identify funding requirements for response actions to address UXO, discarded military munitions, and munitions constituents at other than operational ranges. As shown in the various Component DERA budget exhibits for FY 2006, Army, Navy, and Air Force cleanup programs are essentially on schedule to meet the Department's cleanup goals; DLA is ahead of schedule, which is necessary in some cases to meet legal requirements and agreements with states and regulatory agencies; and FUDS is falling behind. The FUDS program is unique in that there are no physical boundaries such as a military installation fenceline to establish a finite limit of potential contaminated sites and the number of potential new FUDS sites is boundless. While investigations and analyses have been completed for most potential cleanup sites at our military installations, FUDS is still adding new sites. The FUDS baseline number of high relative risk sites for measuring against the DoD cleanup goals initially contained 224 sites in FY 1998. Since that time, an additional 182 high relative risk sites have been identified for a total of 406 sites. Of the 406 FUDS sites categorized as high relative risk, 171 sites have been removed from the list as of September 2004.

Between FY 2005 and FY 2006, the Department's Defense Environmental Restoration Program increases by \$17.7 million, reflecting price growth of \$28.4 million and programmatic reductions of \$10.7 million (-0.8 percent). The program decrease of \$10.7 million primarily consists of the discontinuance of a one-time congressional increase to the FUDS account in FY 2005.

ENVIRONMENTAL PROGRAMS

Environmental Compliance

The FY 2006 compliance program includes sufficient resources to enable the Department's day-to-day operations to comply with state and local government enforcement of current environmental laws and regulations. Environmental Compliance projects include the replacement and upgrade of waste water treatment plants to comply with Clean Water Act standards, hazardous waste management, testing and remediation of underground storage tanks, and monitoring waste water treatment systems. In FY 2006, the environmental compliance program decreases by \$104.8 million. This decrease reflects a price growth of \$35.0 million and a programmatic decrease of \$139.8 million (-8.4 percent) as DoD completes some long term projects to meet compliance requirements. The program decrease of \$139.8 million primarily consists of: a decrease in Army and Army National Guard nonrecurring projects (-\$44.9 million) and a decrease in Army's other recurring costs (-\$10.0 million); a decrease due to one time projects in the Department of the Navy (-\$35.4 million) and other recurring efforts (-\$6.8 million); a very minor reduction to the Marine Corps nonrecurring projects (-\$1.5 million); and a decrease in Defense Wide requirements due to a reduction of one-time projects (-\$45.8 million). These are offset by an increase in Air Force non recurring requirements (+\$4.6 million).

Environmental Conservation

The Department of Defense is the steward of nearly 30 million acres of public lands. The DoD has a responsibility to protect, maintain, and enhance the natural and cultural resources found on these lands. Through the conservation program, biological and cultural resources are managed to help support the military mission. Additionally, conservation activities are required by law (e.g., Endangered Species Act, Sikes Act, and National Historic Preservation Act) and must be funded. In FY 2006, the Environmental Conservation funding increases by \$29.6 million, reflecting a price growth of \$3.5 million and a program increase of \$26.1 million (+14.9 percent). The program increase of \$26.1 million primarily consists of increases in the Army's onetime non recurring projects (+\$23.9 million); and an increase to the Defense-wide account reflecting the increase in the request for the Range Environmental Protection Initiative (+\$8.1 million) offset by a reduction in Air Force non recurring projects (-\$5.9 million).

Pollution Prevention

The Pollution Prevention program targets the reduction of hazardous material, solid waste, toxic releases, air emissions, and water pollution at the source. The funding requested for FY 2006 will support these efforts, as well as implementation of Executive Order 13148, "Greening the Government through Leadership in Environmental Management," and Executive Order 13101, "Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition." In FY 2006, the Pollution Prevention program increases by \$1.8 million. This reflects a price increase of \$3.0 million and a program decrease of \$1.2 million (-0.8 percent). The program decrease of \$1.2 million primarily results from decreases in the Army's program, both recurring and non-recurring

ENVIRONMENTAL PROGRAMS

(-\$3.8 million); decreases in the Navy Program (-\$5.0 million); minor increases in the Marine Corps (+\$.1 million) and the Defense-wide (+\$.6 million) accounts; and an increase in Air Force one-time projects (+\$6.9 million).

Environmental Technology

Technology development is important to meet DoD-unique environmental needs with programs that yield quick results and have high payoffs, including accelerating the development and deployment of technologies that address issues such as shipboard discharges and remediation of soil, surface, and ground water contamination from explosives. The FY 2006 request allows DoD to continue environmental research, development, test, demonstration, and validation activities to provide technologies that result in direct operational savings, mitigate future liabilities, and permit the Department to meet its environmental obligations more cost-effectively. In FY 2006, the Environmental Technology program decreases by \$67.5 million. This reflects a price increase of \$5.7 million and a program decrease of \$73.2 million (-26.8 percent). The program decrease of \$73.2 million is primarily the result of the discontinuance of several one-time FY 2005 congressional increases to the Military Department's Research, Development, Test & Evaluation (RDT&E) appropriation.

Base Realignment and Closure (BRAC)

The DoD is striving to complete scheduled base closures as rapidly as possible to realize potential savings to the government and to make property available to local communities for redevelopment. To do this, the DoD must complete environmental restoration and compliance work at these bases. In FY 2006, the BRAC environmental program increases by \$120.9 million. This reflects a price increase of \$6.9 million and a program increase of \$114.0 million (+34.7 percent). The program increase primarily reflects additional Navy investments to accelerate cleanup work at closed installations.

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

| <u>ENVIRONMENTAL RESTORATION</u> */ | FY 2004 | | FY 2005 | | FY 2006 |
|--|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Cleanup | | | | | |
| Army | 277.3 | 4.5 | 281.8 | 42.4 | 324.2 |
| Navy | 159.8 | 27.0 | 186.8 | 43.5 | 230.3 |
| Air Force | 250.9 | 11.7 | 262.6 | 65.8 | 328.4 |
| Formerly Used Defense Sites | 182.8 | -20.0 | 162.8 | -8.2 | 154.6 |
| Defense-Wide | <u>17.4</u> | <u>1.9</u> | <u>19.3</u> | <u>-0.5</u> | <u>18.8</u> |
| Subtotal | 888.2 | 25.1 | 913.3 | 143.0 | 1,056.3 |
| Investigations and Analysis | | | | | |
| Army | 68.4 | -6.9 | 61.5 | -28.6 | 32.9 |
| Navy | 62.8 | -22.0 | 40.8 | -12.8 | 28.0 |
| Air Force | 88.2 | -19.5 | 68.7 | -35.0 | 33.7 |
| Formerly Used Defense Sites | 62.2 | -6.2 | 56.0 | -16.9 | 39.1 |
| Defense-Wide | <u>2.2</u> | <u>-2.0</u> | <u>0.2</u> | <u>-0.2</u> | <u>-</u> |
| Subtotal | 283.8 | -56.6 | 227.2 | -93.5 | 133.7 |
| Program Oversight | | | | | |
| Army | 48.4 | 8.2 | 56.6 | -5.8 | 50.8 |
| Navy | 32.3 | 6.3 | 38.6 | 8.4 | 47.0 |
| Air Force | 42.1 | 23.0 | 65.1 | -20.8 | 44.3 |
| Formerly Used Defense Sites | 39.2 | 7.9 | 47.1 | -13.8 | 33.3 |
| Defense-Wide | <u>4.1</u> | <u>0.0</u> | <u>4.1</u> | <u>0.2</u> | <u>4.3</u> |
| Subtotal | 166.1 | 45.4 | 211.5 | -31.8 | 179.7 |
| Total | | | | | |
| Army | 394.1 | 5.8 | 399.9 | 8.0 | 407.9 |
| Navy | 254.9 | 11.3 | 266.2 | 39.1 | 305.3 |
| Air Force | 381.2 | 15.2 | 396.4 | 10.0 | 406.4 |
| Formerly Used Defense Sites | 284.2 | -18.3 | 265.9 | -44.0 | 227.0 |
| Defense-Wide | <u>23.7</u> | <u>-0.1</u> | <u>23.6</u> | <u>4.6</u> | <u>23.1</u> |
| Total Environmental Restoration | 1,338.1 | 13.9 | 1,352.0 | 17.7 | 1,369.7 |

*/ This display shows the amounts budgeted by functional area for each of the five Environmental Restoration transfer appropriations – one for each Department, one for Formerly Used Defense Sites, and one for Defense-wide. The FY 2004 amounts (executed in various Component appropriations) are included for comparability purposes. The Formerly Used Defense Sites and Defense-Wide amounts for FY 2006 have been adjusted from the O-1 book.

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

| <u>ENVIRONMENTAL COMPLIANCE</u> | FY 2004 | | FY 2005 | | FY 2006 |
|---------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 602.1 | -13.7 | 588.4 | -42.5 | 545.9 |
| Navy | 422.9 | +3.7 | 426.6 | -33.2 | 393.4 |
| Marine Corps | 95.1 | +8.7 | 103.8 | +0.6 | 104.4 |
| Air Force | 384.4 | -34.1 | 350.3 | +11.9 | 362.2 |
| Defense-Wide | <u>150.4</u> | <u>+46.5</u> | <u>196.9</u> | <u>-41.6</u> | <u>155.3</u> |
| Total Environmental Compliance | 1,654.9 | +11.1 | 1,666.0 | -104.8 | 1,561.2 |

(\$ in Millions)

| <u>ENVIRONMENTAL CONSERVATION</u> | FY 2004 | | FY 2005 | | FY 2006 |
|-----------------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 86.2 | -5.2 | 81.0 | +25.6 | 106.6 |
| Navy | 9.1 | +4.6 | 13.7 | +0.4 | 14.1 |
| Marine Corps | 11.7 | +2.7 | 14.4 | -0.2 | 14.2 |
| Air Force | 40.7 | +3.0 | 43.7 | -4.8 | 38.9 |
| Defense-Wide | <u>9.9</u> | <u>+12.6</u> | <u>22.5</u> | <u>+8.6</u> | <u>31.1</u> |
| Total Environmental Conservation | 157.6 | +17.7 | 175.3 | +29.6 | 204.9 |

(\$ in Millions)

| <u>POLLUTION PREVENTION</u> | FY 2004 | | FY 2005 | | FY 2006 |
|-----------------------------|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 25.1 | -1.5 | 23.6 | -3.3 | 20.3 |
| Navy | 16.6 | +16.0 | 32.6 | -4.4 | 28.2 |
| Marine Corps | 8.6 | +6.8 | 15.4 | +0.5 | 15.9 |
| Air Force | 52.7 | +5.8 | 58.5 | +8.2 | 66.7 |
| Defense-Wide | <u>13.0</u> | <u>-1.5</u> | <u>11.5</u> | <u>+0.8</u> | <u>12.3</u> |
| Total Pollution Prevention | 116.0 | +25.6 | 141.6 | +1.8 | 143.4 |

ENVIRONMENTAL PROGRAMS

(\$ in Millions)

| <u>ENVIRONMENTAL TECHNOLOGY</u> | FY 2004 | | FY 2005 | | FY 2006 |
|---|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>Army</u> | | | | | |
| RDT&E, Army | 102.9 | -7.9 | 95.0 | -49.5 | 45.5 |
| <u>Navy</u> | | | | | |
| RDT&E, Navy | 62.1 | -10.3 | 51.8 | -15.1 | 36.7 |
| <u>Air Force</u> | | | | | |
| RDT&E, Air Force | 13.8 | +9.4 | 23.2 | +0.9 | 24.1 |
| <u>Defense-Wide</u> | | | | | |
| Strategic Environmental R&D Program (SERDP) | 49.0 | +7.6 | 56.6 | +7.5 | 64.1 |
| Env Security Technology Certification Program | 34.5 | +7.6 | 42.1 | -11.4 | 30.7 |
| Defense Warfighter Protection | 4.9 | = | 4.9 | +0.1 | 5.0 |
| Total Defense-Wide | 88.4 | +15.2 | 103.6 | -3.8 | 99.8 |
| <u>Total</u> | | | | | |
| Army | 102.9 | -7.9 | 95.0 | -49.5 | 45.5 |
| Navy | 62.1 | -10.3 | 51.8 | -15.1 | 36.7 |
| Air Force | 13.8 | +9.4 | 23.2 | +0.9 | 24.1 |
| Defense-Wide | 88.4 | +15.2 | 103.6 | -3.8 | 99.8 |
| Total Environmental Technology | 267.2 | +6.4 | 273.6 | -67.5 | 206.1 |

(\$ in Millions)

| <u>BASE REALIGNMENT&CLOSURE (BRAC)</u> | FY 2004 | | FY 2005 | | FY 2006 |
|--|---------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>BRAC 95</u> | | | | | |
| Army | 61.9 | 30.2 | 92.1 | -2.7 | 89.4 |
| Navy | 96.5 | 5.2 | 101.7 | 134.9 | 236.6 |
| Air Force | 193.1 | -65.4 | 127.7 | -10.6 | 117.1 |
| Defense-Wide | 9.8 | -3.1 | 6.7 | -0.7 | 6.0 |
| Total BRAC 95 | 361.3 | -33.1 | 328.2 | 120.9 | 449.1 |

ENVIRONMENTAL PROGRAMS

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

| | (\$ in millions) | | | | | | |
|------------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Army | 1,234 | 20 | 576 | 1,830 | 79 | -84 | 1,825 |
| Navy | 1,060 | 21 | 238 | 1,319 | 16 | 10 | 1,345 |
| Marine Corps | 526 | 10 | -39 | 497 | 9 | 48 | 554 |
| Air Force | 2,300 | 54 | -504 | 1,850 | 77 | -111 | 1,816 |
| Defense-Wide | 234 | 4 | -12 | 226 | 10 | 12 | 248 |
| Defense Health Program | 421 | 8 | 119 | 548 | 10 | -50 | 508 |
| Army Reserve | 142 | 2 | 57 | 201 | 4 | 1 | 206 |
| Navy Reserve | 52 | 1 | 19 | 72 | 1 | -10 | 63 |
| Marine Corps Reserve | 12 | 0 | 0 | 12 | 0 | -2 | 10 |
| Air Force Reserve | 154 | 3 | -102 | 55 | 2 | -1 | 56 |
| Army National Guard | 319 | 5 | 61 | 385 | 8 | -1 | 392 |
| Air National Guard | 216 | 4 | 9 | 229 | 5 | -64 | 170 |
| Total | 6,670 | 132 | 422 | 7,224 | 221 | -252 | 7,193 |

The Facilities Sustainment, Restoration and Modernization (FSRM) program provides funds to keep the Department's inventory of facilities in good working order, (i.e., day to day maintenance requirements). In addition, the program provides resources to restore facilities whose age is excessive or have been damaged. FSRM includes alterations of facilities to implement new or higher standards or to accommodate new functions or missions. The demolition program provides funds to demolish and dispose of obsolete and excess structures, some of which date back to World War II.

The FY 2006 budget request of \$7,193 million includes price growth of \$221 million and a net program decrease of \$252 million (-3.5 percent) below the FY 2005 funding level. This request includes \$7,106 million for the FSRM program, which includes price growth of \$219 million and a net program decrease of \$251 million (-3.5 percent) below the FY 2005 funded level. In aggregate, the FY 2006 request funds 92 percent of the facilities sustainment requirement. This is slightly lower than the 95 percent sustainment level funded in the FY 2005 request – but much higher than prior years when sustainment was in the 70-80 percent range. The budget also includes \$87 million for the demolition program, the same level as in FY 2005.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

The following data provides details on FSRM and the demolition program and the personnel data associated with these efforts.

| | <u>FACILITIES SUSTAINMENT</u> (\$ in millions) | | | | | | |
|--------------------------------------|---|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Army | 1,100 | 18 | 595 | 1,713 | 75 | -109 | 1,679 |
| Navy | 838 | 17 | 355 | 1,210 | 14 | 48 | 1,272 |
| Marine Corps | 476 | 9 | -41 | 444 | 8 | 23 | 475 |
| Air Force | 1,228 | 33 | 214 | 1,475 | 66 | 95 | 1,636 |
| Defense-Wide | 179 | 3 | 2 | 184 | 8 | 23 | 215 |
| Defense Health Program | 320 | 6 | 20 | 346 | 7 | -29 | 324 |
| Army Reserve | 142 | 2 | 54 | 198 | 4 | 0 | 202 |
| Navy Reserve | 43 | 1 | 0 | 44 | 1 | 1 | 46 |
| Marine Corps Reserve | 11 | 0 | 0 | 11 | 0 | -2 | 9 |
| Air Force Reserve | 56 | 1 | -11 | 46 | 1 | 5 | 52 |
| Army National Guard | 318 | 4 | 60 | 382 | 8 | -2 | 388 |
| Air National Guard | 94 | 2 | 48 | 144 | 3 | 7 | 154 |
| Total | 4,805 | 96 | 1,296 | 6,197 | 195 | 60 | 6,452 |
| <u>RESTORATION AND MODERNIZATION</u> | | | | | | | |
| Army | 110 | 1 | -18 | 93 | 4 | 25 | 122 |
| Navy | 201 | 4 | -142 | 63 | 1 | -38 | 26 |
| Marine Corps | 48 | 1 | -1 | 48 | 1 | 25 | 74 |
| Air Force | 1,057 | 21 | -703 | 375 | 11 | -206 | 180 |
| Defense-Wide | 54 | 1 | -14 | 41 | 2 | -11 | 32 |
| Defense Health Program | 101 | 2 | 99 | 202 | 3 | -21 | 184 |
| Army Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Navy Reserve | 6 | 0 | 19 | 25 | 0 | -10 | 15 |
| Marine Corps Reserve | 1 | 0 | 0 | 1 | 0 | 0 | 1 |
| Air Force Reserve | 93 | 2 | -87 | 8 | 0 | -4 | 4 |

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

| | <u>FY 2004</u> | <u>Price</u> | <u>Program</u> | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> |
|---------------------|----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army National Guard | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Air National Guard | 122 | 2 | -39 | 85 | 2 | -71 | 16 |
| Total | 1,793 | 34 | -886 | 941 | 24 | -311 | 654 |

TOTAL SRM PROGRAM (\$ in millions)

| | <u>FY 2004</u> | <u>Price</u> | <u>Program</u> | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> |
|------------------------|----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 1,210 | 19 | 577 | 1,806 | 79 | -84 | 1,801 |
| Navy | 1,039 | 21 | 213 | 1,273 | 15 | 10 | 1,298 |
| Marine Corps | 524 | 10 | -42 | 492 | 9 | 48 | 549 |
| Air Force | 2,25 | 54 | -489 | 1,850 | 77 | -111 | 1,816 |
| Defense-Wide | 233 | 4 | -12 | 225 | 10 | 12 | 247 |
| Defense Health Program | 421 | 8 | 119 | 548 | 10 | -50 | 508 |
| Army Reserve | 142 | 2 | 54 | 198 | 4 | 0 | 202 |
| Navy Reserve | 49 | 1 | 19 | 69 | 1 | -9 | 61 |
| Marine Corps Reserve | 12 | 0 | 0 | 12 | 0 | -2 | 10 |
| Air Force Reserve | 149 | 3 | -98 | 54 | 1 | 1 | 56 |
| Army National Guard | 318 | 4 | 60 | 382 | 8 | -2 | 388 |
| Air National Guard | 216 | 4 | 9 | 229 | 5 | -64 | 170 |
| Total | 6,598 | 130 | 410 | 7,138 | 219 | -251 | 7,106 |

DEMOLITION COSTS

| | | | | | | | |
|------------------------|----|---|-----|----|---|---|----|
| Army | 25 | 0 | -2 | 23 | 1 | 0 | 24 |
| Navy | 21 | 1 | 24 | 46 | 1 | 0 | 47 |
| Marine Corps | 2 | 0 | 3 | 5 | 0 | 0 | 5 |
| Air Force | 14 | 0 | -14 | 0 | 0 | 0 | 0 |
| Defense-Wide | 1 | 0 | 0 | 1 | 0 | 0 | 1 |
| Defense Health Program | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
|----------------------|----------------|---------------|----------------|-----------------|---------------|----------------|-----------------|
| | Actual | Change | Change | Estimate | Change | Change | Estimate |
| Army Reserve | 0 | 0 | 4 | 4 | 0 | 0 | 4 |
| Navy Reserve | 3 | 0 | 0 | 3 | 0 | -1 | 2 |
| Marine Corps Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Air Force Reserve | 4 | 0 | -2 | 2 | 0 | -2 | 0 |
| Army National Guard | 1 | 1 | 1 | 3 | 0 | 1 | 4 |
| Air National Guard | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 71 | 2 | 14 | 87 | 2 | -2 | 87 |

PERSONNEL DATA

| | FY 2004 | | FY 2005 | | FY 2006 |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | Actual | Change | Estimate | Change | Estimate |
| Active Force Military Personnel (End Strength) | | | | | |
| Officer | 223 | -99 | 124 | 10 | 134 |
| Enlisted | <u>3,096</u> | <u>-375</u> | <u>2,721</u> | <u>-455</u> | <u>2,266</u> |
| Total | 3,319 | -474 | 2,845 | -445 | 2,400 |
| Civilian Personnel (Full-Time Equivalents) | | | | | |
| U.S. Direct Hires | 12,460 | -1,128 | 11,332 | -508 | 10,824 |
| Foreign National Direct Hires | <u>1,710</u> | <u>-194</u> | <u>1,516</u> | <u>4</u> | <u>1,520</u> |
| Total Direct Hire | 14,170 | -1,322 | 12,848 | -504 | 12,344 |
| Foreign National Indirect Hire | <u>3,947</u> | <u>-31</u> | <u>3,916</u> | <u>239</u> | <u>4,155</u> |
| Total | 18,117 | -1,353 | 16,764 | -265 | 16,499 |

Army

The Army is requesting \$1,825 million in FY 2006 for SRM in its Operation and Maintenance (O&M), Army appropriation. These funds reflect a net decrease of \$5 million from the FY 2005 funding level: \$+79 million in price growth and \$-84 million in program growth. SRM funding for FY 2006 will fund critical facility requirements and upgrade deteriorating facilities at 139 Army

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

installations worldwide. The Army request includes \$24.1 million for its demolition program, which reflects an increase of \$.6 million from the FY 2005 funded level.

Navy

The Navy is requesting \$1,345 million in FY 2006 for FSRM in its O&M, Navy appropriation. These funds reflect a net increase of \$26 million from the FY 2005 funding level: \$+16 million in price growth and \$+10 million in program growth. The net program increase in FY 2006 is necessary to maintain facilities sustainment at 95 percent of requirement. The Navy request includes \$47.0 million for demolition, which reflects price growth of \$1.0 million over the FY 2005 funded level.

Marine Corps

The Marine Corps is requesting \$554 million in FY 2006 for FSRM in its O&M, Marine Corps appropriation. These funds reflect a net increase of \$57 million from the FY 2005 funding level: \$+9 million in price growth and \$+48 million (+10.0 percent) in program growth. The program growth reflects the additional requirement associated with an increase in the square footage of facilities. The Marine Corps request includes \$5.0 million for its demolition program, consistent with prior year funding levels.

Air Force

The Air Force is requesting \$1,816 million in FY 2006 for SRM in its O&M, Air Force appropriation. These funds reflect a net decrease of \$34 million from the FY 2005 funding level: \$+77.0 million in price growth and \$-111 million (6.0 percent) decreased in program growth. The FY 2006 program achieves a 95 percent sustainment level and funds critical annual maintenance and repair activities. The Air Force program includes zero in its demolition program, which reflects a change of \$0.1 million from the FY 2005 funded level.

Defense-Wide

The Defense-Wide activities are requesting \$248 million in FY 2006 for SRM in the O&M, Defense-Wide appropriation. These funds reflect a net increase of \$22 million from the FY 2005 funding level: \$+10 million in price growth and \$+12 million (5 percent) in increased program. The program growth in FY 2006 is primarily for increased sustainment of the DoD Education Activity and National Security Agency facilities. Defense-Wide activities request includes \$1.0 million for demolition, which is the same as the FY 2005 funded level.

FACILITIES SUSTAINMENT, RESTORATION AND MODERNIZATION (SRM) AND DEMOLITION PROGRAMS

Defense Health Program (DHP)

The DHP is requesting \$508 million in FY 2006 for SRM in its O&M budget activity. These funds reflect a net decrease of \$40 million from the FY 2005 funding level: \$+10 million for price growth and \$-50 million for program growth. The program funds the maintenance of military medical facilities, such as heating and air conditioning units, and plumbing and electrical systems, that are required to support active duty, military dependents, eligible retirees, and family members. The overall FY 2006 reduction is due to resource requirements to fully fund the DHP civilian pay increases.

Guard and Reserve Forces

The Guard and Reserve Forces are requesting \$897 million in FY 2006, which reflects a decrease of \$57 million from the FY 2005 funding level: \$+20 million in price growth and \$-77 million in decreased program. The program supports the operation, protection and maintenance of real property facilities including, buildings, roads, grounds, and airfields of the Guard and Reserve. These facilities support the combat readiness for the Guard and Reserve that enables them to augment the active forces. The Guard and Reserve Forces request includes \$10 million for their demolition programs, which is a decrease of \$2 million from the FY 2004 funded level.

LAND FORCES

| (\$ in Millions) | | | | | | | |
|---------------------------------|-----------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| | FY 2004 1/ <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| Army 2/ Marine Corps | 3,465.3 | +9.7 | -131.3 | 3,343.7 | +109.9 | -430.2 | 3,023.4 |
| Marine Corps | 1,720.3 | +88.4 | -1,187.3 | 621.4 | +7.7 | -149.6 | 479.5 |
| Total | 5,185.6 | +98.1 | -1,318.6 | 3,965.1 | +117.6 | -579.8 | 3,502.9 |

^{1/}Includes FY 2004 Supplemental funding.

^{2/} Includes both Air and Ground OPTEMPO.

The Land Forces program describes those resources committed to the training and sustainment of the Department's land forces. Land Forces encompass the Land Forces Activity Group within the Army and that portion of the Expeditionary Forces Activity Group within the Marine Corps for the Fleet Marine ground forces. The Army's Land Forces are comprised of the units assigned to heavy, airborne, air assault and light division; corps combat units and corps support forces; echelon above corps forces; and combat training centers. The Marine Corps' land forces include Marine divisions, service support groups, helicopter groups, and light anti-aircraft missile battalions that constitute the Marine air-ground team and Marine security forces.

Resources in Land Forces train and sustain the active component ground combat forces. These resources support the key ingredients of combat readiness by providing the funds necessary to operate combat vehicles and weapon systems, train combat personnel, perform field level equipment maintenance, and maintain required readiness levels. The FY 2006 budget request decreases by \$-462.2 million from the FY 2005 baseline with \$-579.8 million attributed to program decreases with a \$+117.6 million price increase.

ARMY

The Army Land Forces program provides Operating Tempo (OPTEMPO) resources to train and sustain the active component combat forces. The budget supports the Active Component ground OPTEMPO training strategy, encompassing actual miles driven for home station training (HST) and Combat Training Center (CTC) rotations as well as virtual miles associated with using simulators, such as the Close Combat Tactical Trainer (CCTT) and the Unit Conduct of Fire Trainer (UCOFT). The Department of the Army is fully committed to providing the resources required to meet this training strategy and associated level of readiness.

LAND FORCES

Funding in the Land Forces activity group will allow the Army to field a trained and ready force, with the combat capabilities necessary to execute assigned missions and fulfill the Army's critical role in meeting the National Military Strategy, threat scenarios, and other national military requirements. In addition to funding unit training and its associated costs (such as fuel, supplies, repair parts, travel and transportation), Land Forces also includes the resources to fund the operation of the ground CTCs, the Army's participation in Joint National Training Capability (JNTC) events, and the Joint Air Ground Center of Excellence (JAGCE), which is executed in two separate locations: Europe – Victory Strike Exercise and the Western Army National Guard Aviation Training Site (WAATS).

Land Forces supports a training strategy that provides soldiers, from the infantryman to the corps commander, a full range of realistic training exercises. Funding in FY 2006 will permit the Army to train 11 brigades (nine Active Component and two Army National Guard) at the National Training Center (NTC), 11 brigades (nine Active Component and two Army National Guard) at the Joint Readiness Training Center (JRTC), four brigades at the Combat Maneuver Training Center (CMTC), two aviation attack battalions through the Victory Strike Exercise in Europe, and three aviation attack battalions at WAATS. Additionally, three corps and seven division staffs are trained through the Battle Command Training Program (BCTP).

The Army realigned OPTEMPO funding for both ground and air OPTEMPO in the near term to support several Army initiatives – Army Modular Forces, rapid fielding initiative (RFI) sustainment, and the aviation restructure. This realignment was made possible by a decrease in training events due to non-availability of units that are preparing to deploy, will be deployed, or are recovering from deployment in support of the Global War on Terror (GWOT). The Army remains committed to fully executing its OPTEMPO strategy for those units not committed to GWOT. The Army will evaluate the units' execution of the Combined Arms Training Strategy (CATS) during the execution years to reassess and mitigate risks to readiness as necessary.

The Army Land Forces Budget supports a FY 2006 force that has increased capability through the continued conversion of brigade combat teams (BCTs) into modular brigades, the addition of four modular brigades, and a Stryker Brigade Combat Team (SBCT) conversion. Additional capability improvements are Integrated Theater Signal Battalions, an additional Operations Group (OPSGRP) to train brigade commanders and their staffs, and better clothing and equipment for soldiers. This budget also supports a rigorous annual program of tough, realistic combat training at the Army's three ground CTCs and the JAGCE, as well as participation in Department of Defense (DoD) JNTC events. Based on operational requirements, the CTC throughput has decreased from 28 brigade rotations in FY 2005 to 26 rotations in FY 2006. In contrast, the JAGCE will host two additional attack aviation battalions in FY 2006 through the Victory Strike Exercise held in Europe. The JNTC will extend DOD's world-class training advantage and ensure the needs of regional Combatant Commanders are met. JNTC builds on the success of Army Title X training by adding the

LAND FORCES

appropriate joint context to the training at Army CTCs in order to address Joint and Service-interoperability training deficiencies. It combines live, virtual and constructive training in order to increase joint participation in current exercises without significantly increasing deployment demands on Army units. The Army is scheduled to participate in six JNTC events in FY 2006.

The FY 2006 program reflects a decrease of \$320.3 million from the FY 2005 funding level. The decrease is the sum of price growth of \$+109.9 million and a net program decrease of \$-430.2 million. The FY 2006 program decrease is primarily associated with a decrease in training events in ground OPTEMPO programs due to the non-availability of units participating in OEF/OIF.

MARINE CORPS

The Operating Forces are the heart of the Marine Corps. They constitute the forward presence, crisis response and fighting power available to the Combatant Commanders. This sub-activity group provides for the Operating Forces that constitute the Marine Air-Ground Team and Marine security forces at naval installations and aboard naval vessels. The funding provides for training and routine operations; maintenance and repair of organic ground equipment; routine supplies, travel, per diem and emergency leave; automated data processing and initial purchase; and replenishment and replacement of both unit and individual equipment. Funding is also provided for the movement of troops to participate in exercises directed by the Commandant of the Marine Corps or by higher authority. About 65 percent of all active duty Marines are assigned to the Operating Forces.

The FY 2006 program reflects a net decrease of \$141.9 million from the FY 2005 funding level. This decrease is the sum of the price growth of \$+7.7 million and a net program decrease of \$-149.6 million. Major program increases include: operation and maintenance of new equipment (\$+15.0 million); Marine Corps Combat Development Command (MCCDC) Analysis and Requirements Development Center of Excellence (\$+13.7 million); operations and training (\$+9.5 million) and the Joint Concept Development and Experimentation (JCDE) at MCCDC (\$+2.4 million). Major program decreases include: realignment of Navy Marine Corps Intranet resources to BOS for central management of the program (\$-159.8 million) and the removal of one-time FY 2005 Congressional adds (\$-30.9 million).

LAND FORCES

| <u>OPTEMPO Miles</u> | <u>Program Data</u> | | |
|--|--------------------------------------|---------------------------|---------------------------|
| | <u>FY 2004 Estimated/Actual*</u> | <u>FY 2005 Budget</u> | <u>FY 2006 Budget</u> |
| Live Training (Home Station & National Training Center) | | | |
| Requirement (No Contingency Ops) | 804 | 804 | 809 |
| Actual/Estimated | 1,385 | 804 | 765 |
| Virtual Training (CCTT and UCOFT Simulators) | | | |
| Requirement | 95 | 95 | 90 |
| Actual/Estimated | 97 | 95 | 85 |
| | | (Not Projected) | (Not Projected) |
| Other Live Training (Actual Only) | 30 | | |
| Total Requirement | 899 | 899 | 899 |
| Total Actual/Estimated | 1,512 | 899 | 850 |

* FY 2004 Actual Miles data includes miles driven in contingency operations (i.e., Operation Iraqi Freedom).

Marine Corps Combat Ready Days

| | <u>FY 2004 Actual</u> | <u>FY 2005 Estimate</u> | <u>FY 2006 Estimate</u> |
|--|---------------------------|-----------------------------|-----------------------------|
| Funds Allocated to Training & Equipment Maintenance (\$M) | 403.8 | 411.1 | 415.5 |
| Combat Ready Days-Equipment & Training (CRED-ET) | 93,708 | 100,000 | 100,000 |
| Cost per CRED-ET (\$000) | 4.309 | 4.111 | 4.155 |
| Total Possible CRED-ETs | 113,571 | 113,571 | 113,571 |
| % Achieved | 83% | 88% | 88% |

LAND FORCES

Personnel Data

| | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> (End Strength) | FY 2006 <u>Estimate</u> |
|---------------------------------------|--------------------------|--|----------------------------|
| | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| <u>Active Forces Personnel</u> | | | |
| Army Officer | 35,521 | -3,194 | 32,327 |
| Army Enlisted | <u>283,330</u> | <u>-8,507</u> | <u>274,823</u> |
| Subtotal Army | 318,851 | -11,701 | 307,150 |
| Marine Corps Officer | 10,028 | -475 | 9,553 |
| Marine Corps Enlisted | <u>109,124</u> | <u>-269</u> | <u>108,855</u> |
| Subtotal Marine Corps | 119,152 | -744 | 118,408 |
| Total Officer | 45,549 | -3,669 | 41,880 |
| Total Enlisted | <u>392,454</u> | <u>-8,776</u> | <u>383,678</u> |
| Total Active Forces Personnel | 438,003 | -12,445 | 425,558 |
| (Full Time Equivalents) | | | |
| Army Civilians | 2,672 | 156 | 2,828 |
| Marine Corps Civilians | <u>288</u> | <u>17</u> | <u>305</u> |
| Total Civilian Personnel | 2,960 | 173 | 3,133 |

MOBILIZATION

| | (\$ in Millions) | | | | | | |
|--------------|------------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 536.2 | +13.4 | -137.3 | 412.3 | +17.5 | -72.8 | 357.0 |
| Navy | 722.9 | +29.2 | +52.1 | 804.2 | -1.8 | -90.3 | 712.1 |
| Marine Corps | 113.7 | +2.6 | -43.6 | 72.7 | -1.0 | +2.7 | 74.4 |
| Air Force | <u>4,642.2</u> | <u>+178.4</u> | <u>-2,357.8</u> | <u>2,462.8</u> | <u>+232.6</u> | <u>+1,267.1</u> | <u>3,962.5</u> |
| Total | 6,015.0 | +223.6 | -2,486.6 | 3,752.0 | +247.3 | +1,106.7 | 5,106.0 |

Mobilization provides for strategic and tactical airlift and sealift capability to deploy combat forces and materiel in contingencies. The Mobilization program funds an adequate inventory of immediately available supplies and equipment, stationed both afloat and on land, to sustain the operating forces for lengths of time and levels of conflict outlined in the National Military Strategy. In addition, it funds the inactivation of Navy ships and submarines, which accounts for approximately 18% of the Navy's Mobilization program. The funding profile shown above includes all Budget Activity 2 (Mobilization) resources plus the Marine Corps Prepositioning activity group included in Budget Activity 1 (Operating Forces).

The Mobilization program increases by \$1,354.0 million from FY 2005 to FY 2006. This includes price growth of \$247.3 million and real program increase of \$1,106.7 million. The price growth is primarily associated with the impact of higher fuel rates and normal inflation. The majority of the program increase is associated with the Air Force's Airlift Operations. The increases are partially offset by decreases in the Army's Afloat Prepositioned Fleet and the Navy's Activation/Inactivation program.

| | (\$ in Millions) | | | | |
|---|------------------|---------------|-----------------|---------------|-----------------|
| | FY 2004 | | FY 2005 | | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Afloat Prepositioned Fleet (APF) | | | | | |
| Army APF | 191.5 | +52.7 | 244.2 | -41.5 | 202.7 |
| Navy Maritime Prepo Ships (MPS) | 411.5 | +8.0 | 419.5 | -14.0 | 405.5 |
| Navy Maritime Prepo Ships (Enhanced) | 43.2 | +3.3 | 46.5 | +12.8 | 59.3 |
| CENTCOM Ammo Prepo Ship | 7.4 | +2.3 | 9.7 | +3.1 | 12.8 |

MOBILIZATION

| | | | | | |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Air Force APF | <u>52.2</u> | <u>+9.0</u> | <u>61.2</u> | <u>-2.9</u> | <u>58.3</u> |
| Total | <u>705.8</u> | <u>+75.3</u> | <u>781.1</u> | <u>-42.5</u> | <u>738.6</u> |

The Afloat Prepositioned Fleet (APF) program funds prepositioned ships, which carry equipment, supplies and ammunition, and are available for immediate and rapid response to unforeseen contingencies throughout the world.

- The Army forces consist of 12/12/10 APF ships in FY 2004/FY 2005/FY 2006, respectively, which enables the Army to rapidly deploy a versatile, lethal, expandable, and sustainable CONUS-based military force capable of achieving decisive victory anywhere in the world. In FY 2006, two ships will not be in service to the Army Prepositioned Stocks Program.
- The Navy's Sealift Program provides the worldwide capability to deploy combat forces and/or supporting material that may be required to meet national contingency objectives. The program is divided into two functional areas: (1) Prepositioned assets and (2) Surge assets. Funding for all sealift surge ships is in the National Defense Sealift Fund (NDSF) appropriation. O&M,N funds the daily operation of the prepositioned assets, as well as the biennial exercise costs associated with the Hospital Ships (T-AH) and Aviation Logistics Support Ships (T-AVB). This program also provides support for various sea lift programs, including Sealift Enhancement Feature (SEF) upgrades, Naval Control of Shipping Command Post exercises, Merchant Cargo Delivery System (MCDS) training and exercises, force protection for delivery ships against chemical, biological, and radiological threats, Cargo Afloat Rig Team training, and alternating coast MCDS exercises, and the Offshore Petroleum Discharge System.
- The Air Force funds four prepositioned ships. In FY 2005, the Air Force Afloat Prepositioned Fleet (APF) will realign several extra tons within the Pacific theatre to better posture War Reserve Material (WRM) ammunition. In FY 2006, APF is scheduled to return to normal operations causing a decrease from FY 2005 to FY 2006 in offloading costs.

Other Mobilization Programs

| | (\$ in Millions) | | | | |
|--------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | FY 2004 | Actual | Change | FY 2005 | FY 2006 |
| | Estimate | Change | Estimate | Estimate | Estimate |
| Army | | | | | |
| Prepositioned Stocks | <u>344.7</u> | <u>-176.6</u> | <u>168.1</u> | <u>-13.8</u> | <u>154.3</u> |
| Industrial Preparedness | <u>270.3</u> | <u>-167.8</u> | <u>102.5</u> | <u>-2.6</u> | <u>99.9</u> |
| Other Prepositioned Exercises | <u>7.7</u> | <u>+8.0</u> | <u>15.7</u> | <u>-6.9</u> | <u>8.8</u> |
| Other Prepositioned | <u>51.7</u> | <u>-12.1</u> | <u>39.6</u> | <u>+2.0</u> | <u>41.6</u> |
| Exercises | <u>15.0</u> | <u>-4.7</u> | <u>10.3</u> | <u>-6.3</u> | <u>4.0</u> |

MOBILIZATION

| | FY 2004 <u>Actual</u> | Change | (\$ in Millions) | | FY 2006 <u>Estimate</u> |
|-----------------------------------|---------------------------------|-----------------|-----------------------------------|-----------------|-----------------------------------|
| | | | FY 2005 <u>Estimate</u> | Change | |
| Navy | 260.8 | +67.7 | 328.5 | -94.0 | 234.5 |
| Activations/Inactivations | 140.6 | +86.9 | 227.5 | -98.7 | 128.8 |
| Fleet Hospital Program | 27.4 | -2.0 | 25.4 | +2.9 | 28.3 |
| Industrial Readiness | 2.1 | -0.6 | 1.5 | +0.1 | 1.6 |
| Coast Guard Support | 16.4 | +0.5 | 16.9 | +3.0 | 19.9 |
| Other Sealift/Surge | 65.0 | -17.4 | 47.6 | -1.3 | 46.3 |
| Exercises | 9.3 | +0.3 | 9.6 | 0.0 | 9.6 |
| Marine Corps | 113.7 | -41.0 | 72.7 | +1.7 | 74.4 |
| Prepositioned Equipment | 113.7 | -41.0 | 72.7 | +1.7 | 74.4 |
| Air Force | 4,590.0 | -2,188.4 | 2,401.6 | +1,502.6 | 3,904.2 |
| Airlift Operations | 3,036.2 | -1,697.6 | 1,338.6 | +1,321.5 | 2,660.1 |
| Airlift Operations C3I | 53.8 | -14.5 | 39.3 | +12.0 | 51.3 |
| Mobilization Preparedness | 144.8 | -141.1 | 3.7 | +105.0 | 108.7 |
| Depot Maintenance | 404.8 | -34.6 | 370.2 | +23.1 | 393.3 |
| Facilities Sustainment, Res & Mod | 329.7 | -159.2 | 170.5 | -15.8 | 154.7 |
| Base Support | 612.2 | -145.4 | 466.8 | +59.5 | 526.3 |
| Exercises | 8.5 | +4.0 | 12.5 | -2.7 | 9.8 |
| Total Other Mobilization | 5,309.2 | -2,338.3 | 2,970.9 | 1,396.5 | 4,367.4 |

The Army's Other Mobilization programs fund manpower, material handling and other supply support equipment, facilities, etc., that is required to store and handle prepositioned stock materials. Army Prepositioned Stocks (APS) Program supports the Army's capability to project combat ready forces from the Continental United States (CONUS), Europe, Southwest Asia, Korea, Japan, and Hawaii to conduct operations anywhere in the world.

- The FY 2006 request for prepositioned stocks reflects a net decrease of \$2.6 million. The decrease reflects the Army's decision to reduce APS-1 to the minimum amount required to sustain worldwide program management (e.g., civilian pay and critical

MOBILIZATION

contracts). Based on current rotational deployment of Army units and equipment, it is unlikely that APS-1 stocks will be “reset” until FY 2008 at the earliest. Therefore, the stocks will not require Care of Supplies (COSIS), cyclic management, or replacement of dated items.

The Navy’s Other Mobilization programs include aircraft and ship activation/inactivation programs which place aircraft and ships (both nuclear and conventional powered) out of active service, and prepares and maintains them for mobilization purposes or disposal through scrapping and sales. The Mobilization program also funds comprehensive medical support to U.S. and allied forces in the event of actual combat operations through fleet hospital units that are prepositioned throughout the world; maintenance, overhaul, and support of Navy equipment aboard Coast Guard vessels; and an industrial readiness program.

- The increase in this activity group reflects a continuation of the Fleet Hospital initiative (\$2.3 million) to a capabilities component design requiring modular capability to support sea basing and facilitating joint interoperability initiatives. Efforts will modernize the current fleet hospitals and health support forces to transform them into highly mobile and modular units. An increase for configuration management, in-service engineering support for weapons and warfare support systems on the new Deepwater National Security Cutter (NSC-1); increase in higher costs for shipboard logistics maintenance support and support of equipment installed on Coast Guard ships and aircraft (\$2.5 million).

The Marine Corps Mobilization program funds the Maritime Prepositioning Force (MPF) program and Aviation Logistics Support Ships (T-AVB). This funding supports training and exercise costs as well as the cost of maintaining the equipment and supplies in a ready-to-operate status aboard the 16 MPF ships. Aviation Logistics Support Ship (TAVB) funding provides for the movement of the aviation Intermediate Maintenance Activity (IMA) to support the rapid deployment of the Marine Corps fixed wing and rotary wing aircraft units. Norway Prepositioning funds the Marine Corps Prepositioning Program – Norway (MCPP-N). This funding provides for storage of equipment, supplies and ammunition in man-made caves and shelters throughout central Norway. The name was changed from the Norway Air Landed Marine Expeditionary Brigade (NALMEB) effective January 2005.

- The FY 2006 increase of \$1.7 million is mostly due to the Contract Maintenance and Prepositioning Logistics costs.

The Air Force's Other Mobilization program includes resources for Airlift Operations, Mobilization Preparedness, Depot Maintenance, Facilities Sustainment, Restoration, and Modernization, and Base support. The Airlift Operations program supports the day-to-day mission activities for strategic and tactical aircraft; aircrew training activities; headquarters operations at Air Mobility Command, its detachments, and number of Air Force headquarters; and Operational Support Airlift supporting the President/Vice

MOBILIZATION

President of the United States and other dignitaries. Also funded are Command, Control, Communication, and Intelligence (C3I) activities facilitating worldwide deployment of airlift assets/aircrew forces as well as mobility preparedness through prepositioning of War Reserve Material, provisioning of nuclear weapons storage, and sustainment of contingency hospitals and clinics.

- The FY 2006 increases by \$1,502.6 million primarily due to price growth of \$230.0 million and three large transfers, totaling \$1,306.6 million, into this program: First, a funding restoral from the Transportation Working Capital Fund (TWCF) of \$708.8 million for Budget Activity 2, Mobilization. This funding restoral is a subset of the total restoral (\$967.2 million) that reflects cash balance and rate stabilization adjustments in the Department of Defense TWCF in accordance language identified in Section 8123 of the FY 2005 DoD Appropriations Committee Conference Report. The second major funding transfer is \$554.6 million from procurement accounts to operations and maintenance for C-17 transition from Interim Contractor Support (ICS) to Contractor Logistics Support (CLS) per the C-17 Globemaster III Sustainment Partnership (GSP) program in FY 2006. Third, the Equipment Transformation Initiative transfers of \$43.2 million from procurement appropriations to Operations and Maintenance for support equipment costing less than \$250 thousand. After these transfers, the Air Force program actually was reduced by \$-39.5 million due to a reduction in flying hour funding and Base Operating Support. The flying hour program adjustments do not impact aircrew readiness levels.

MOBILIZATION

| | (\$ in Millions) | | | | | | |
|--------------|------------------|---------------|-----------------|-----------------|---------------|-----------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 536.2 | +13.4 | -137.3 | 412.3 | +17.5 | -72.8 | 357.0 |
| Navy | 722.9 | +29.2 | +52.1 | 804.2 | -1.8 | -90.3 | 712.1 |
| Marine Corps | 113.7 | +2.6 | -43.6 | 72.7 | -1.0 | +2.7 | 74.4 |
| Air Force | <u>4,642.2</u> | <u>+178.4</u> | <u>-2,357.8</u> | <u>2,462.8</u> | <u>+232.6</u> | <u>+1,267.1</u> | <u>3,962.5</u> |
| Total | 6,015.0 | +223.6 | -2,486.6 | 3,752.0 | +247.3 | +1,106.7 | 5,106.0 |

Mobilization provides for strategic and tactical airlift and sealift capability to deploy combat forces and materiel in contingencies. The Mobilization program funds an adequate inventory of immediately available supplies and equipment, stationed both afloat and on land, to sustain the operating forces for lengths of time and levels of conflict outlined in the National Military Strategy. In addition, it funds the inactivation of Navy ships and submarines, which accounts for approximately 18% of the Navy's Mobilization program. The funding profile shown above includes all Budget Activity 2 (Mobilization) resources plus the Marine Corps Prepositioning activity group included in Budget Activity 1 (Operating Forces).

The Mobilization program increases by \$1,354.0 million from FY 2005 to FY 2006. This includes price growth of \$247.3 million and real program increase of \$1,106.7 million. The price growth is primarily associated with the impact of higher fuel rates and normal inflation. The majority of the program increase is associated with the Air Force's Airlift Operations. The increases are partially offset by decreases in the Army's Afloat Prepositioned Fleet and the Navy's Activation/Inactivation program.

| | (\$ in Millions) | | | | |
|---|------------------|---------------|-----------------|---------------|-----------------|
| | FY 2004 | | FY 2005 | | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Afloat Prepositioned Fleet (APF) | | | | | |
| Army APF | 191.5 | +52.7 | 244.2 | -41.5 | 202.7 |
| Navy Maritime Prepo Ships (MPS) | 411.5 | +8.0 | 419.5 | -14.0 | 405.5 |
| Navy Maritime Prepo Ships (Enhanced) | 43.2 | +3.3 | 46.5 | +12.8 | 59.3 |
| CENTCOM Ammo Prepo Ship | 7.4 | +2.3 | 9.7 | +3.1 | 12.8 |

MOBILIZATION

| | | | | | |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Air Force APF | <u>52.2</u> | <u>+9.0</u> | <u>61.2</u> | <u>-2.9</u> | <u>58.3</u> |
| Total | <u>705.8</u> | <u>+75.3</u> | <u>781.1</u> | <u>-42.5</u> | <u>738.6</u> |

The Afloat Prepositioned Fleet (APF) program funds prepositioned ships, which carry equipment, supplies and ammunition, and are available for immediate and rapid response to unforeseen contingencies throughout the world.

- The Army forces consist of 12/12/10 APF ships in FY 2004/FY 2005/FY 2006, respectively, which enables the Army to rapidly deploy a versatile, lethal, expandable, and sustainable CONUS-based military force capable of achieving decisive victory anywhere in the world. In FY 2006, two ships will not be in service to the Army Prepositioned Stocks Program.
- The Navy's Sealift Program provides the worldwide capability to deploy combat forces and/or supporting material that may be required to meet national contingency objectives. The program is divided into two functional areas: (1) Prepositioned assets and (2) Surge assets. Funding for all sealift surge ships is in the National Defense Sealift Fund (NDSF) appropriation. O&M,N funds the daily operation of the prepositioned assets, as well as the biennial exercise costs associated with the Hospital Ships (T-AH) and Aviation Logistics Support Ships (T-AVB). This program also provides support for various sea lift programs, including Sealift Enhancement Feature (SEF) upgrades, Naval Control of Shipping Command Post exercises, Merchant Cargo Delivery System (MCDS) training and exercises, force protection for delivery ships against chemical, biological, and radiological threats, Cargo Afloat Rig Team training, and alternating coast MCDS exercises, and the Offshore Petroleum Discharge System.
- The Air Force funds four prepositioned ships. In FY 2005, the Air Force Afloat Prepositioned Fleet (APF) will realign several extra tons within the Pacific theatre to better posture War Reserve Material (WRM) ammunition. In FY 2006, APF is scheduled to return to normal operations causing a decrease from FY 2005 to FY 2006 in offloading costs.

Other Mobilization Programs

| | (\$ in Millions) | | | | |
|--------------------------------------|---------------------|----------------------|---------------------|---------------------|---------------------|
| | FY 2004 | Actual | Change | FY 2005 | FY 2006 |
| | Estimate | Change | Estimate | Estimate | Estimate |
| Army | | | | | |
| Prepositioned Stocks | <u>344.7</u> | <u>-176.6</u> | <u>168.1</u> | <u>-13.8</u> | <u>154.3</u> |
| Industrial Preparedness | <u>270.3</u> | <u>-167.8</u> | <u>102.5</u> | <u>-2.6</u> | <u>99.9</u> |
| Other Prepositioned Exercises | <u>7.7</u> | <u>+8.0</u> | <u>15.7</u> | <u>-6.9</u> | <u>8.8</u> |
| Other Prepositioned | <u>51.7</u> | <u>-12.1</u> | <u>39.6</u> | <u>+2.0</u> | <u>41.6</u> |
| Exercises | <u>15.0</u> | <u>-4.7</u> | <u>10.3</u> | <u>-6.3</u> | <u>4.0</u> |

MOBILIZATION

| | FY 2004 | (\$ in Millions) | | | FY 2006 |
|-----------------------------------|----------------|------------------|----------------|-----------------|----------------|
| | | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | |
| Navy | 260.8 | +67.7 | 328.5 | -94.0 | 234.5 |
| Activations/Inactivations | 140.6 | +86.9 | 227.5 | -98.7 | 128.8 |
| Fleet Hospital Program | 27.4 | -2.0 | 25.4 | +2.9 | 28.3 |
| Industrial Readiness | 2.1 | -0.6 | 1.5 | +0.1 | 1.6 |
| Coast Guard Support | 16.4 | +0.5 | 16.9 | +3.0 | 19.9 |
| Other Sealift/Surge | 65.0 | -17.4 | 47.6 | -1.3 | 46.3 |
| Exercises | 9.3 | +0.3 | 9.6 | 0.0 | 9.6 |
| Marine Corps | 113.7 | -41.0 | 72.7 | +1.7 | 74.4 |
| Prepositioned Equipment | 113.7 | -41.0 | 72.7 | +1.7 | 74.4 |
| Air Force | 4,590.0 | -2,188.4 | 2,401.6 | +1,502.6 | 3,904.2 |
| Airlift Operations | 3,036.2 | -1,697.6 | 1,338.6 | +1,321.5 | 2,660.1 |
| Airlift Operations C3I | 53.8 | -14.5 | 39.3 | +12.0 | 51.3 |
| Mobilization Preparedness | 144.8 | -141.1 | 3.7 | +105.0 | 108.7 |
| Depot Maintenance | 404.8 | -34.6 | 370.2 | +23.1 | 393.3 |
| Facilities Sustainment, Res & Mod | 329.7 | -159.2 | 170.5 | -15.8 | 154.7 |
| Base Support | 612.2 | -145.4 | 466.8 | +59.5 | 526.3 |
| Exercises | 8.5 | +4.0 | 12.5 | -2.7 | 9.8 |
| Total Other Mobilization | 5,309.2 | -2,338.3 | 2,970.9 | 1,396.5 | 4,367.4 |

The Army's Other Mobilization programs fund manpower, material handling and other supply support equipment, facilities, etc., that is required to store and handle prepositioned stock materials. Army Prepositioned Stocks (APS) Program supports the Army's capability to project combat ready forces from the Continental United States (CONUS), Europe, Southwest Asia, Korea, Japan, and Hawaii to conduct operations anywhere in the world.

- The FY 2006 request for prepositioned stocks reflects a net decrease of \$2.6 million. The decrease reflects the Army's decision to reduce APS-1 to the minimum amount required to sustain worldwide program management (e.g., civilian pay and critical

MOBILIZATION

contracts). Based on current rotational deployment of Army units and equipment, it is unlikely that APS-1 stocks will be “reset” until FY 2008 at the earliest. Therefore, the stocks will not require Care of Supplies (COSIS), cyclic management, or replacement of dated items.

The Navy’s Other Mobilization programs include aircraft and ship activation/inactivation programs which place aircraft and ships (both nuclear and conventional powered) out of active service, and prepares and maintains them for mobilization purposes or disposal through scrapping and sales. The Mobilization program also funds comprehensive medical support to U.S. and allied forces in the event of actual combat operations through fleet hospital units that are prepositioned throughout the world; maintenance, overhaul, and support of Navy equipment aboard Coast Guard vessels; and an industrial readiness program.

- The increase in this activity group reflects a continuation of the Fleet Hospital initiative (\$2.3 million) to a capabilities component design requiring modular capability to support sea basing and facilitating joint interoperability initiatives. Efforts will modernize the current fleet hospitals and health support forces to transform them into highly mobile and modular units. An increase for configuration management, in-service engineering support for weapons and warfare support systems on the new Deepwater National Security Cutter (NSC-1); increase in higher costs for shipboard logistics maintenance support and support of equipment installed on Coast Guard ships and aircraft (\$2.5 million).

The Marine Corps Mobilization program funds the Maritime Prepositioning Force (MPF) program and Aviation Logistics Support Ships (T-AVB). This funding supports training and exercise costs as well as the cost of maintaining the equipment and supplies in a ready-to-operate status aboard the 16 MPF ships. Aviation Logistics Support Ship (TAVB) funding provides for the movement of the aviation Intermediate Maintenance Activity (IMA) to support the rapid deployment of the Marine Corps fixed wing and rotary wing aircraft units. Norway Prepositioning funds the Marine Corps Prepositioning Program – Norway (MCPP-N). This funding provides for storage of equipment, supplies and ammunition in man-made caves and shelters throughout central Norway. The name was changed from the Norway Air Landed Marine Expeditionary Brigade (NALMEB) effective January 2005.

- The FY 2006 increase of \$1.7 million is mostly due to the Contract Maintenance and Prepositioning Logistics costs.

The Air Force's Other Mobilization program includes resources for Airlift Operations, Mobilization Preparedness, Depot Maintenance, Facilities Sustainment, Restoration, and Modernization, and Base support. The Airlift Operations program supports the day-to-day mission activities for strategic and tactical aircraft; aircrew training activities; headquarters operations at Air Mobility Command, its detachments, and number of Air Force headquarters; and Operational Support Airlift supporting the President/Vice

MOBILIZATION

President of the United States and other dignitaries. Also funded are Command, Control, Communication, and Intelligence (C3I) activities facilitating worldwide deployment of airlift assets/aircrew forces as well as mobility preparedness through prepositioning of War Reserve Material, provisioning of nuclear weapons storage, and sustainment of contingency hospitals and clinics.

- The FY 2006 increases by \$1,502.6 million primarily due to price growth of \$230.0 million and three large transfers, totaling \$1,306.6 million, into this program: First, a funding restoral from the Transportation Working Capital Fund (TWCF) of \$708.8 million for Budget Activity 2, Mobilization. This funding restoral is a subset of the total restoral (\$967.2 million) that reflects cash balance and rate stabilization adjustments in the Department of Defense TWCF in accordance language identified in Section 8123 of the FY 2005 DoD Appropriations Committee Conference Report. The second major funding transfer is \$554.6 million from procurement accounts to operations and maintenance for C-17 transition from Interim Contractor Support (ICS) to Contractor Logistics Support (CLS) per the C-17 Globemaster III Sustainment Partnership (GSP) program in FY 2006. Third, the Equipment Transformation Initiative transfers of \$43.2 million from procurement appropriations to Operations and Maintenance for support equipment costing less than \$250 thousand. After these transfers, the Air Force program actually was reduced by \$-39.5 million due to a reduction in flying hour funding and Base Operating Support. The flying hour program adjustments do not impact aircrew readiness levels.

RECRUITING, ADVERTISING, AND EXAMINING

Overall funding in recruiting, advertising, and examining provides support for recruiting commands and stations throughout the United States for local, regional, and national advertising to access and retain quality enlisted and officer personnel. It provides for the U.S. Military Entrance Processing Command (MEPCOM), which includes the Military Entrance Processing Stations (MEPS) that process all enlisted personnel entering on active duty. Overall funding in recruiting, advertising, and examining increases from \$1,375.7 million in FY 2005 to \$1,433.1 million in FY 2006, which is a net increase of \$57.4 million above the FY 2005 level. Of this amount, \$28.9 million is for price growth and \$28.5 million (2.1 percent) is for net program growth.

RECRUITING, ADVERTISING, AND EXAMINING

(\$ in Millions)

| | FY 2004 <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
|------------------------|--------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|
| Army | 561.5 | +11.1 | +10.7 | 583.3 | +11.6 | +9.0 | 603.9 |
| Navy | 234.1 | +5.9 | +39.5 | 279.5 | +6.4 | -3.5 | 282.4 |
| Marine Corps | 113.5 | +0.4 | -1.7 | 112.2 | +2.3 | +1.0 | 115.5 |
| Air Force | 142.1 | +2.9 | -24.8 | 120.2 | +2.7 | +17.1 | 140.0 |
| Defense Health Program | 32.3 | +0.8 | +0.1 | 33.2 | +0.8 | +3.7 | 37.7 |
| Defense-Wide | 14.3 | +0.3 | +9.6 | 24.2 | +0.5 | -17.5 | 7.2 |
| Army Reserve | 102.1 | +1.8 | -13.6 | 90.3 | +1.8 | -3.7 | 88.4 |
| Navy Reserve | 23.8 | - | - | - | - | - | - |
| Marine Corps Reserve | 7.8 | +0.1 | - | 7.9 | +0.2 | - | 8.1 |
| Air Force Reserve | 19.7 | +0.4 | -5.7 | 14.4 | +0.3 | +1.1 | 15.8 |
| Army National Guard | 159.8 | +3.2 | -61.8 | 101.2 | +2.1 | +21.3 | 124.6 |
| Air National Guard | <u>20.3</u> | <u>+0.4</u> | <u>-11.4</u> | <u>9.3</u> | <u>+0.2</u> | <u>-</u> | <u>9.5</u> |
| Total | 1,431.3 | +27.3 | -59.1 | 1,375.7 | +28.9 | +28.5 | 1,433.1 |

RECRUITING, ADVERTISING, AND EXAMINING

The following tables provide the funding by Component for each category.

Recruiting

The recruiting mission is to maintain the highest quality force possible. The recruiting funds provide support for recruiting commands and stations throughout the United States. Recruiting costs are for those items essential to the accomplishment of the recruiting mission, including meals, lodging, and travel of applicants; recruiter expenses, travel and per diem; civilian pay; vehicle operation and maintenance; lease of office space; and other incidental expenses necessary to support the recruiting mission. The FY 2006 recruiting program reflects a net increase of \$86.7 million. Of this amount, \$13.6 million is for price growth and \$73.1 million (11.4 percent) is for net program growth.

| | <u>RECRUITING</u> <u>(\$ in Millions)</u> | | | | | | |
|----------------------|--|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| | <u>FY 2004</u> | <u>Price</u> | <u>Program</u> | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 254.0 | +4.4 | -5.0 | 253.4 | +5.0 | +41.4 | 299.8 |
| Navy | 151.1 | +4.2 | +23.9 | 179.2 | +4.3 | +15.2 | 198.7 |
| Marine Corps | 67.8 | +0.2 | -3.3 | 64.7 | +1.3 | +4.4 | 70.4 |
| Air Force | 63.6 | +1.3 | -3.4 | 61.5 | +1.4 | +1.5 | 64.4 |
| Army Reserve | 38.9 | +0.7 | -4.0 | 35.6 | +0.7 | -5.4 | 30.9 |
| Navy Reserve | 16.3 | - | - | - | - | - | - |
| Marine Corps Reserve | 4.7 | +0.1 | - | 4.8 | - | - | 4.8 |
| Air Force Reserve | 7.2 | +0.2 | -2.1 | 5.3 | +0.1 | -0.1 | 5.3 |
| Army National Guard | 37.7 | +0.8 | -7.1 | 31.4 | +0.7 | +16.1 | 48.2 |
| Air National Guard | <u>4.1</u> | <u>+0.1</u> | <u>-0.6</u> | <u>3.6</u> | <u>+0.1</u> | <u>-</u> | <u>3.7</u> |
| Total | 645.4 | +12.0 | -1.6 | 639.5 | +13.6 | +73.1 | 726.2 |

RECRUITING, ADVERTISING, AND EXAMINING

Advertising

The advertising funds provide for local, regional, national and corporate advertising to access quality enlisted and officer personnel. All advertising is designed to increase public awareness and describe employment opportunities. The Services fund a media mix of advertising that includes television and radio; magazines and newspapers; internet websites and banner advertising; informational videos; direct mail campaigns; and recruiting booklets, pamphlets, and posters. The Operation and Maintenance (O&M), Defense-Wide appropriation funds a joint program managed by the Defense Human Resources Activity. This program consists of a corporate campaign for joint service recruiting and advertising, market research and studies, and survey requirements for the Active and Reserve Components. This joint funding is used for consolidated lead lists, direct mail campaigns, youth and adult influencer public opinion polls, and Selective Service System direct market mailings. The FY 2006 Advertising program reflects a net decrease of \$26.8 million. This amount is the net sum of \$11.8 million for price growth and a \$38.6 million (6.8 percent) net program decrease.

| | <u>ADVERTISING</u> <u>(\$ in Millions)</u> | | | | | | |
|----------------------|---|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| | <u>FY 2004</u> | <u>Price</u> | <u>Program</u> | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 201.7 | +3.5 | -4.5 | 200.7 | +4.0 | -22.5 | 182.2 |
| Navy | 83.0 | +1.7 | +15.6 | 100.3 | +2.1 | -18.7 | 83.7 |
| Marine Corps | 45.7 | +0.2 | +1.6 | 47.5 | +1.0 | -3.4 | 45.1 |
| Air Force | 76.0 | +1.5 | -21.9 | 55.6 | +1.2 | +15.4 | 72.2 |
| Defense-Wide | 14.3 | +0.3 | +9.6 | 24.2 | +0.5 | -17.5 | 7.2 |
| Army Reserve | 63.2 | +1.1 | -9.6 | 54.7 | +1.1 | +1.7 | 57.5 |
| Navy Reserve | 7.5 | - | - | - | - | - | - |
| Marine Corps Reserve | 3.1 | - | - | 3.1 | +0.2 | - | 3.3 |
| Air Force Reserve | 12.5 | +0.2 | -3.6 | 9.1 | +0.2 | +1.2 | 10.5 |
| Army National Guard | 122.1 | +2.4 | -54.7 | 69.8 | +1.4 | +5.2 | 76.4 |
| Air National Guard | <u>16.2</u> | <u>+0.3</u> | <u>-10.8</u> | <u>5.7</u> | <u>+0.1</u> | <u>-</u> | <u>5.8</u> |
| Total | 645.3 | +11.2 | -78.3 | 570.7 | +11.8 | -38.6 | 543.9 |

RECRUITING, ADVERTISING, AND EXAMINING

Examining

The examining funds provide support for the U.S. Military Entrance Processing Command (MEPCOM), which includes the Military Entrance Processing Stations (MEPS) that process all enlisted personnel entering on active duty. The MEPCOM is a joint-Service organization. Each Service contributes military personnel based on its share of total budgeted accessions. The Army is the DoD Executive Agent for the command and funds and manages the civilian staff. In addition, the Army provides funds for the MEPCOM to administer the Armed Service Vocational Aptitude Battery (ASVAB) test. This administration includes both the production and institutional (high school) testing programs and the Mobile Examining Teams (MET) operating under MEPS direction. Funds also provide for automated data processing (ADP) requirements of MEPCOM and the Selective Service System at their shared Joint Computer Center. The Air Force provides funding for an Air Force specific strength aptitude test program. This Air Force program provides a gender neutral test to ensure personnel are capable of performing their duties, therefore reducing accidents and injuries due to overexertion and alleviating attrition in strenuous jobs.

The Defense Health Program finances the medical activities in the MEPS, primarily the examination of applicants to determine their medical qualifications for enlistment in the Armed Forces. In addition, the Defense Health Program includes funds for the DoD Medical Evaluation Review Board, which schedules and reviews physical examinations for the Service Academies and for the Reserve Officers Training Corps (ROTC) scholarship program.

The FY 2006 Examining program reflects a net decrease of \$2.5 million. This amount is the net sum of \$3.5 million for price growth and a \$6 million (3.6 percent) net program decrease.

| | <u>EXAMINING</u> <u>(\$ in Millions)</u> | | | | | | |
|------------------------|---|----------------------|-----------------------|------------------------|----------------------|-----------------------|------------------------|
| | <u>FY 2004</u> | <u>Price</u> | <u>Program</u> | <u>FY 2005</u> | <u>Price</u> | <u>Program</u> | <u>FY 2006</u> |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 105.8 | +3.2 | +20.2 | 129.2 | +2.6 | -9.9 | 121.9 |
| Air Force | 2.5 | +0.1 | +0.5 | 3.1 | +0.1 | +0.2 | 3.4 |
| Defense Health Program | <u>32.3</u> | <u>+0.8</u> | <u>+0.1</u> | <u>33.2</u> | <u>+0.8</u> | <u>+3.7</u> | <u>37.7</u> |
| Total | 140.6 | +4.1 | +20.8 | 165.5 | +3.5 | -6.0 | 163.0 |

RECRUITING, ADVERTISING, AND EXAMINING

Explanation of Funding Changes

Major program increases and decreases for the Recruiting, Advertising, and Examining activity are summarized below:

(\$ in Millions)

Recruiting

- | | |
|---|--------------|
| • Army automation technology needed for mobile recruiting efforts. Supports Army Knowledge Management goals and objectives for a "Virtual Recruiter" environment. | +73.1 |
| • Army National Guard recruiting operations | +39.5 |
| • Navy (\$+5.2 million) and Marine Corps (\$+4.4 million) recruiting operations (e.g., replace legacy systems) | +16.1 |
| • Navy additional recruiter travel costs assuring broad area coverage; phased recruiter station furniture rehabilitation program; Naval Sea Cadet Program which cultivates solid leads. | +9.6 |
| • Navy Recruit and Accession Management System (NRAMS) – an automated recruit and tracking system. | +6.4 |
| • Army additional IT contractor analysts to support US MEPCOM Information Technology Modernization initiative. | +3.9 |
| • Air Force recruiting service operations | +1.9 |
| • Navy civilian substitutions – costs for new hires - functions formerly filled by military personnel | +1.4 |
| • Army Reserve recruiting operations efficiencies | +1.1 |
| • Navy decrease due to deferral of previously planned Recruiting Station facility renovations | -5.4 |
| | -1.4 |

Advertising

- | | |
|---|--------------|
| • Air Force magazine ads, direct mail, recruiting sales ads, local advertising, photo and video production etc. | -38.6 |
| • Army Reserve and National Guard advertising to meet increasing recruiting demands | +15.4 |
| • Air Force Reserve advertising to meet increasing demands in non prior service accession population | +6.9 |
| • Army savings through business reengineering initiatives | +1.2 |
| • Navy decrease due to savings through planned reductions in previously duplicative direct mail, promotional items And video productions associated with the consolidation of Active and Reserve recruiting functions | -22.5 |
| • Joint Advertising program reduced from FY 2005 level which contained add for television campaign | -18.7 |
| • Marine Corps increase in advertising to maintain awareness | -17.5 |
| | -3.4 |

Examining

- | | |
|--|-------------|
| • Increase in Defense Health Program examining workload at US MEPCOM | -6.0 |
| • Air Force civilian pay adjustment | +3.7 |
| • Army Business reengineering savings initiatives | +0.2 |
| | -9.9 |

SHIP OPERATIONS

| | FY 2004 ^{1/} <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 ^{2/} <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
|---------------------------------------|--|------------------------|--------------------------|--|------------------------|--------------------------|----------------------------|
| <u>Appropriation Summary</u> | | | | | | | |
| Active Forces | 8,465.1 | +545.5 | -948.8 | 8,061.8 | +396.4 | -69.2 | 8,389.0 |
| Mission and Other Ship Operations | 2,755.1 | +325.2 | -533.9 | 2,546.4 | +220.3 | +233.2 | 2,999.9 |
| Ship Operational Support and Training | 641.5 | +14.1 | -41.0 | 614.6 | +14.4 | -40.5 | 588.5 |
| Ship Maintenance | 3,921.8 | +170.7 | -221.7 | 3,870.8 | +139.5 | -42.8 | 3,967.5 |
| Ship Depot Operations Support | 1,146.7 | +35.5 | -152.2 | 1,030.0 | +22.2 | -219.1 | 833.1 |
| Reserve Forces | 150.4 | +6.3 | -2.3 | 154.4 | +3.9 | -23.5 | 134.7 |
| Mission and Other Ship Operations | 69.0 | +4.4 | -14.3 | 59.1 | +1.5 | +1.1 | 61.7 |
| Ship Operational Support and Training | 0.5 | 0.0 | 0.0 | 0.5 | 0.0 | 0.0 | 0.5 |
| Ship Maintenance | 77.2 | 1.8 | +12.4 | 91.4 | +2.3 | -21.8 | 71.9 |
| Ship Depot Operations Support | 3.7 | 0.1 | -0.4 | 3.3 | +0.1 | -2.8 | 0.6 |
| Grand Total | 8,615.6 | 551.8 | -951.2 | 8,216.2 | 400.4 | -92.7 | 8,523.8 |

NOTE: Columns may not add due to rounding.

1/ FY 2004 values displayed include Supplemental funding (\$725.6 million).

2/ FY 2005 values displayed exclude Supplemental funding (\$132.0 million).

Description of Operations Financed:

- The Subactivity groups within ship operations and ship maintenance fund the active and reserve operating tempo (OPTEMPO), engineering and logistical support, maintenance, planning, and technical support to maintain and deploy combat-ready ships. From these activities, the Navy purchases ship fuel, repair parts, utilities, consumable supplies, repair parts, and maintenance from fleet intermediate maintenance facilities and public and private shipyards. Funding to charter logistics support and other ships from the Military Sealift Command (MSC), payments to the Department of Energy (DOE) for consumed nuclear fuel as well as storage and processing of expended nuclear cores are also financed within these Subactivity groups.

SHIP OPERATIONS

- The FY 2006 active and reserve ship operation and maintenance budget increased by \$+307.7 million from the FY 2005 level. The change between the years is comprised of a total price increase of \$+400.4 million and a program reductions of \$-92.7 million.

Program Data

The FY 2006 budget request provides \$8,389 million for active ship operations and maintenance, which includes price growth of \$+396.4 million and a net program reduction of \$-69.2 million compared to the FY 2005 level.

The key components of the \$+69.2 million active program changes from FY 2005 to FY 2006 include:

- Net decrease in the number (-9) and scope of scheduled ship availabilities (-\$49.0 million).
- Net transfer of \$181 million from Ship Depot Operations Support to align Regional Maintenance Center funding to ensure efficient, flexible and optimal execution of the ship maintenance program.
- Increases associated with 274 steaming days for USNS Grasp and 153 steaming days for USNS Sacagawea.
- Funding for ship repair parts and consumables to ensure the requirement is fully funded at levels comparable to the last three years of execution experience.

The FY 2006 Operation and Maintenance, Navy Reserve ship operations and maintenance request includes price growth of \$+3.9 million and a net program decrease of \$-23.5 million below the FY 2005 level. The main components of this decrease are decreases in maintenance requirements for FFG (Guided Missile Frigate) and MCM (Minesweeper) class ships, and the decommissioning of four MHC (Minesweeper) class ships: the USS OSPREY (MHC-51), the USS HERON (MHC-52), the USS ROBIN (MHC-54) and the USS BLACKHAWK (MHC-58).

SHIP OPERATIONS

| <u>Ship Inventory (End of Year)</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Navy Active | 292 | -7 | 285 | +4 | 289 |
| MSC Charter/Support | 42 | +2 | 44 | +3 | 47 |
| Battle Force Ships (Active) | 334 | -5 | 329 | +7 | 336 |
| Reserve Battle Force (Included in Navy Active Total) | 15 | - | 15 | - | 15 |
| Reserve Non-Battle Force | 9 | - | 9 | -4 | 5 |
| Naval Reserve Force | 24 | - | 24 | -4 | 20 |
| Total Battle Force Ships (Active plus Reserve) minus MSC | 292 | -7 | 285 | +4 | 289 |

Battle Force Ships Inventory Adjustments by Category

| | <u>FY 2005 Ending Inventory</u> | <u>Gains</u> | <u>Losses</u> | <u>FY 2006 Ending Inventory</u> |
|------------------------------------|---------------------------------|--------------|---------------|---------------------------------|
| Aircraft Carriers | 11 | - | - | 11 |
| Fleet Ballistic Missile Submarines | 14 | - | - | 14 |
| Guided Missile (SSGN) Submarines | 4 | - | - | 4 |
| Surface Combatants | 99 | +4 | -1 | 102 |
| Nuclear Attack Submarines | 55 | - | -1 | 54 |
| Amphibious Warfare Ships | 35 | +2 | -2 | 35 |
| Combat Logistics Ships | 32 | +3 | -1 | 34 |
| Mine Warfare Ships | 17 | - | - | 17 |
| Support Ships | 18 | - | - | 18 |
| Total | 285 | +9 | -5 | 289 |

| <u>Operating Tempo (Underway Days Per Quarter)</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|--|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Non-Deployed Fleet | 26 | -2 | 24 | - | 24 |
| Deployed Fleet | 60 | -9 | 51 | - | 51 |
| Reserve Fleet | 24 | -6 | 18 | - | 18 |

SHIP OPERATIONS

| | <u>FY 2004</u> <u>Actual</u> | <u>Change</u> | <u>FY 2005</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> |
|---|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| <u>Shipyears (Less Charter Ships)</u> | | | | | |
| Conventional, O&M,N | 277 | -10 | 267 | -10 | 257 |
| Nuclear, O&M,N | 10 | - | 10 | - | 10 |
| Conventional, O&M,NR | 26 | - | 26 | -2 | 24 |
| <u>Operating Months (Less Charter Ships)</u> | | | | | |
| Conventional, O&M,N | 1870 | +51 | 1921 | -117 | 1804 |
| Nuclear (Surface), O&M,N | 895 | -80 | 815 | -35 | 780 |
| Conventional, O&M,NR | 261 | -5 | 256 | -13 | 243 |
| <u>Deployed Operating Months</u> | | | | | |
| Conventional, O&M,N | 494 | +114 | 608 | -29 | 579 |
| Nuclear (surface), O&M,N | 29 | +49 | 78 | -26 | 52 |
| Conventional, O&M,NR | 0 | +22 | 22 | -22 | 0 |
| <u>Ship Maintenance</u> | | | | | |
| <u>Active</u> | | | | | |
| Overhauls | 3 | - | 3 | +1 | 4 |
| Selected Restricted Availabilities | 62 | -5 | 57 | -3 | 54 |
| Phased Maintenance Availabilities | 18 | 5 | 23 | -8 | 15 |
| Planned Incremental Availabilities | 2 | - | 2 | +1 | 3 |
| <u>Reserve</u> | | | | | |
| Overhauls | n/a | n/a | n/a | n/a | n/a |
| Selected Restricted Availabilities | 4 | +1 | 5 | - | 5 |
| Phased Maintenance Availabilities | 4 | +6 | 10 | -5 | 5 |

Ship Operations

Shipyear data provides a more accurate indicator of the overall force level for the year than just considering the end-of-year ship inventory. A shipyear measures that portion of a fiscal year that a ship serves in the fleet. For example, a ship decommissioning on June 30th would have 0.75 shipyears for that fiscal year (October through June) – whereas the end-of-year ship inventory would be zero.

SHIP OPERATIONS

The changes from FY 2005 to FY 2006 for the active conventional forces reflect the net decrease of ten shipyears due to changes in deployment schedules and increased reliance on MSC ships (not counted in shipyears). The decrease in conventional operating months from FY 2005 to FY 2006 follows the decrease in ship years.

Sustaining the OPTEMPO is critical to meeting global forward-deployed missions and overseas presence commitments of the deployed fleet and to maintain a combat ready and rapidly deployable force in the non-deployed fleet. The budget request meets the Navy's peacetime readiness goal of 51 underway days per quarter for the deployed fleet and 24 underway days per quarter for the non-deployed fleet.

Operating month data is also a good measure of ship operations costs. Operating months reflect the part of the fiscal year that a ship is fully available for missions. The complement of operating months is repair months. For example, a ship not available for missions while undergoing a 3-month repair period would have 9 operating months and 3 repair months (assuming it was not to be commissioned or decommissioned in that particular year).

Ship Maintenance

Ship Depot Level Maintenance requires skills or facilities beyond the capacity or capability of organizational or intermediate level activities. Public and private shipyards, Naval Ship Repair Facilities, and Equipment Depot Maintenance Facilities perform Ship Depot Maintenance.

Ships are assigned maintenance availabilities in accordance with the maintenance plan established for that ship class. Class maintenance plans vary but always include both shorter non-docking availabilities and longer docking availabilities. The primary categories of availabilities follow:

- Overhauls are docking availabilities, normally exceeding six months in duration, involving major repairs and alterations.
- Phased Maintenance Availabilities (PMA) and Selected Restricted Availabilities (SRA) are relatively short and highly intensive availabilities averaging two to three months in duration during which both alterations and repairs are typically performed. They may be docking or non-docking.
- Phased Incremental Availabilities (PIA) are availabilities specific to USS NIMITZ class Aircraft Carriers during which both alterations and repairs are typically performed. They may be docking or non-docking.

Three categories of depot level maintenance are performed outside of scheduled availabilities.

- Emergent Restricted Availabilities/Technical Availabilities (RA/TA) are used to repair discrepancies that must be corrected prior to the next scheduled availability.
- Other RA/TA is maintenance planned for execution between scheduled availabilities meant to maintain ships systems fully operational. Continuous Maintenance allows flexible execution of required Surface Ship depot level work during in port periods.

SHIP OPERATIONS

| | FY 2004 ^{1/} <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 ^{2/} <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
|---------------------------------------|--|------------------------|--------------------------|--|------------------------|--------------------------|----------------------------|
| <u>Appropriation Summary</u> | | | | | | | |
| Active Forces | 8,465.1 | +545.5 | -948.8 | 8,061.8 | +396.4 | -69.2 | 8,389.0 |
| Mission and Other Ship Operations | 2,755.1 | +325.2 | -533.9 | 2,546.4 | +220.3 | +233.2 | 2,999.9 |
| Ship Operational Support and Training | 641.5 | +14.1 | -41.0 | 614.6 | +14.4 | -40.5 | 588.5 |
| Ship Maintenance | 3,921.8 | +170.7 | -221.7 | 3,870.8 | +139.5 | -42.8 | 3,967.5 |
| Ship Depot Operations Support | 1,146.7 | +35.5 | -152.2 | 1,030.0 | +22.2 | -219.1 | 833.1 |
| Reserve Forces | 150.4 | +6.3 | -2.3 | 154.4 | +3.9 | -23.5 | 134.7 |
| Mission and Other Ship Operations | 69.0 | +4.4 | -14.3 | 59.1 | +1.5 | +1.1 | 61.7 |
| Ship Operational Support and Training | 0.5 | 0.0 | 0.0 | 0.5 | 0.0 | 0.0 | 0.5 |
| Ship Maintenance | 77.2 | 1.8 | +12.4 | 91.4 | +2.3 | -21.8 | 71.9 |
| Ship Depot Operations Support | 3.7 | 0.1 | -0.4 | 3.3 | +0.1 | -2.8 | 0.6 |
| Grand Total | 8,615.6 | 551.8 | -951.2 | 8,216.2 | 400.4 | -92.7 | 8,523.8 |

NOTE: Columns may not add due to rounding.

1/ FY 2004 values displayed include Supplemental funding (\$725.6 million).

2/ FY 2005 values displayed exclude Supplemental funding (\$132.0 million).

Description of Operations Financed:

- The Subactivity groups within ship operations and ship maintenance fund the active and reserve operating tempo (OPTEMPO), engineering and logistical support, maintenance, planning, and technical support to maintain and deploy combat-ready ships. From these activities, the Navy purchases ship fuel, repair parts, utilities, consumable supplies, repair parts, and maintenance from fleet intermediate maintenance facilities and public and private shipyards. Funding to charter logistics support and other ships from the Military Sealift Command (MSC), payments to the Department of Energy (DOE) for consumed nuclear fuel as well as storage and processing of expended nuclear cores are also financed within these Subactivity groups.

SHIP OPERATIONS

- The FY 2006 active and reserve ship operation and maintenance budget increased by \$+307.7 million from the FY 2005 level. The change between the years is comprised of a total price increase of \$+400.4 million and a program reductions of \$-92.7 million.

Program Data

The FY 2006 budget request provides \$8,389 million for active ship operations and maintenance, which includes price growth of \$+396.4 million and a net program reduction of \$-69.2 million compared to the FY 2005 level.

The key components of the \$+69.2 million active program changes from FY 2005 to FY 2006 include:

- Net decrease in the number (-9) and scope of scheduled ship availabilities (-\$49.0 million).
- Net transfer of \$181 million from Ship Depot Operations Support to align Regional Maintenance Center funding to ensure efficient, flexible and optimal execution of the ship maintenance program.
- Increases associated with 274 steaming days for USNS Grasp and 153 steaming days for USNS Sacagawea.
- Funding for ship repair parts and consumables to ensure the requirement is fully funded at levels comparable to the last three years of execution experience.

The FY 2006 Operation and Maintenance, Navy Reserve ship operations and maintenance request includes price growth of \$+3.9 million and a net program decrease of \$-23.5 million below the FY 2005 level. The main components of this decrease are decreases in maintenance requirements for FFG (Guided Missile Frigate) and MCM (Minesweeper) class ships, and the decommissioning of four MHC (Minesweeper) class ships: the USS OSPREY (MHC-51), the USS HERON (MHC-52), the USS ROBIN (MHC-54) and the USS BLACKHAWK (MHC-58).

SHIP OPERATIONS

| <u>Ship Inventory (End of Year)</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Navy Active | 292 | -7 | 285 | +4 | 289 |
| MSC Charter/Support | 42 | +2 | 44 | +3 | 47 |
| Battle Force Ships (Active) | 334 | -5 | 329 | +7 | 336 |
| Reserve Battle Force (Included in Navy Active Total) | 15 | - | 15 | - | 15 |
| Reserve Non-Battle Force | 9 | - | 9 | -4 | 5 |
| Naval Reserve Force | 24 | - | 24 | -4 | 20 |
| Total Battle Force Ships (Active plus Reserve) minus MSC | 292 | -7 | 285 | +4 | 289 |

Battle Force Ships Inventory Adjustments by Category

| | <u>FY 2005 Ending Inventory</u> | <u>Gains</u> | <u>Losses</u> | <u>FY 2006 Ending Inventory</u> |
|------------------------------------|---------------------------------|--------------|---------------|---------------------------------|
| Aircraft Carriers | 11 | - | - | 11 |
| Fleet Ballistic Missile Submarines | 14 | - | - | 14 |
| Guided Missile (SSGN) Submarines | 4 | - | - | 4 |
| Surface Combatants | 99 | +4 | -1 | 102 |
| Nuclear Attack Submarines | 55 | - | -1 | 54 |
| Amphibious Warfare Ships | 35 | +2 | -2 | 35 |
| Combat Logistics Ships | 32 | +3 | -1 | 34 |
| Mine Warfare Ships | 17 | - | - | 17 |
| Support Ships | 18 | - | - | 18 |
| Total | 285 | +9 | -5 | 289 |

| <u>Operating Tempo (Underway Days Per Quarter)</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|--|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Non-Deployed Fleet | 26 | -2 | 24 | - | 24 |
| Deployed Fleet | 60 | -9 | 51 | - | 51 |
| Reserve Fleet | 24 | -6 | 18 | - | 18 |

SHIP OPERATIONS

| | <u>FY 2004</u> <u>Actual</u> | <u>Change</u> | <u>FY 2005</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> |
|---|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| <u>Shipyears (Less Charter Ships)</u> | | | | | |
| Conventional, O&M,N | 277 | -10 | 267 | -10 | 257 |
| Nuclear, O&M,N | 10 | - | 10 | - | 10 |
| Conventional, O&M,NR | 26 | - | 26 | -2 | 24 |
| <u>Operating Months (Less Charter Ships)</u> | | | | | |
| Conventional, O&M,N | 1870 | +51 | 1921 | -117 | 1804 |
| Nuclear (Surface), O&M,N | 895 | -80 | 815 | -35 | 780 |
| Conventional, O&M,NR | 261 | -5 | 256 | -13 | 243 |
| <u>Deployed Operating Months</u> | | | | | |
| Conventional, O&M,N | 494 | +114 | 608 | -29 | 579 |
| Nuclear (surface), O&M,N | 29 | +49 | 78 | -26 | 52 |
| Conventional, O&M,NR | 0 | +22 | 22 | -22 | 0 |
| <u>Ship Maintenance</u> | | | | | |
| <u>Active</u> | | | | | |
| Overhauls | 3 | - | 3 | +1 | 4 |
| Selected Restricted Availabilities | 62 | -5 | 57 | -3 | 54 |
| Phased Maintenance Availabilities | 18 | 5 | 23 | -8 | 15 |
| Planned Incremental Availabilities | 2 | - | 2 | +1 | 3 |
| <u>Reserve</u> | | | | | |
| Overhauls | n/a | n/a | n/a | n/a | n/a |
| Selected Restricted Availabilities | 4 | +1 | 5 | - | 5 |
| Phased Maintenance Availabilities | 4 | +6 | 10 | -5 | 5 |

Ship Operations

Shipyear data provides a more accurate indicator of the overall force level for the year than just considering the end-of-year ship inventory. A shipyear measures that portion of a fiscal year that a ship serves in the fleet. For example, a ship decommissioning on June 30th would have 0.75 shipyears for that fiscal year (October through June) – whereas the end-of-year ship inventory would be zero.

SHIP OPERATIONS

The changes from FY 2005 to FY 2006 for the active conventional forces reflect the net decrease of ten shipyears due to changes in deployment schedules and increased reliance on MSC ships (not counted in shipyears). The decrease in conventional operating months from FY 2005 to FY 2006 follows the decrease in ship years.

Sustaining the OPTEMPO is critical to meeting global forward-deployed missions and overseas presence commitments of the deployed fleet and to maintain a combat ready and rapidly deployable force in the non-deployed fleet. The budget request meets the Navy's peacetime readiness goal of 51 underway days per quarter for the deployed fleet and 24 underway days per quarter for the non-deployed fleet.

Operating month data is also a good measure of ship operations costs. Operating months reflect the part of the fiscal year that a ship is fully available for missions. The complement of operating months is repair months. For example, a ship not available for missions while undergoing a 3-month repair period would have 9 operating months and 3 repair months (assuming it was not to be commissioned or decommissioned in that particular year).

Ship Maintenance

Ship Depot Level Maintenance requires skills or facilities beyond the capacity or capability of organizational or intermediate level activities. Public and private shipyards, Naval Ship Repair Facilities, and Equipment Depot Maintenance Facilities perform Ship Depot Maintenance.

Ships are assigned maintenance availabilities in accordance with the maintenance plan established for that ship class. Class maintenance plans vary but always include both shorter non-docking availabilities and longer docking availabilities. The primary categories of availabilities follow:

- Overhauls are docking availabilities, normally exceeding six months in duration, involving major repairs and alterations.
- Phased Maintenance Availabilities (PMA) and Selected Restricted Availabilities (SRA) are relatively short and highly intensive availabilities averaging two to three months in duration during which both alterations and repairs are typically performed. They may be docking or non-docking.
- Phased Incremental Availabilities (PIA) are availabilities specific to USS NIMITZ class Aircraft Carriers during which both alterations and repairs are typically performed. They may be docking or non-docking.

Three categories of depot level maintenance are performed outside of scheduled availabilities.

- Emergent Restricted Availabilities/Technical Availabilities (RA/TA) are used to repair discrepancies that must be corrected prior to the next scheduled availability.
- Other RA/TA is maintenance planned for execution between scheduled availabilities meant to maintain ships systems fully operational. Continuous Maintenance allows flexible execution of required Surface Ship depot level work during in port periods.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

| (\$ in Millions) | | | | | | |
|-----------------------------|------------------------|--------------------------|-------------------------------|------------------------|--------------------------|----------------------------|
| FY 2004 1/ <u>Actual</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2005 2/ <u>Estimate</u> | Price <u>Change</u> | Program <u>Change</u> | FY 2006 <u>Estimate</u> |
| 2,869.4 | -81.9 | -667.1 | 2,120.4 | +50.8 | +34.5 | 2,205.7 |

The United States Special Operations Command (USSOCOM) is a unified command with responsibilities to plan, coordinate and, when directed, conduct special operations worldwide in order to disrupt, defeat and destroy terrorist networks that threaten the United States, its citizens and interests worldwide. USSOCOM has been appointed by the Secretary of Defense as the lead planner for the Global War on Terrorism (GWOT) and to act as the supported command for selected GWOT missions. USSOCOM also organizes, trains, and equips special operations forces (SOF) provided to Geographic Combatant Commanders, American Ambassadors, and their country teams. SOF are comprised of specially selected, trained, and organized soldiers, sailors, and airmen from the Armed Services. Their training, education, initiative, and experience set them apart from all others in the Department of Defense. The USSOCOM FY2006 budget estimate focuses on insight, planning, and preparation to place SOF operators on the global battlefield in exactly the right place with the appropriate equipment and technologies and optimum training. Fundamental to mission success is the readiness of our SOF warriors and their unique skill sets, including the Reserves and National Guard who fight along side our active duty forces.

USSOCOM's highest priority is the Global War on Terrorism. To meet this challenge, USSOCOM's FY 2006/2007 Budget Estimate Submission balances resources to provide a coherent Global War on Terrorism (GWOT) strategy that addresses three vital areas: planning and directing the Global War on Terrorism (GWOT); preserving the readiness of our Special Operations Forces (SOF); and transforming SOF to be more agile, adaptive, and responsive warriors. The resourcing decisions incorporated in USSOCOM's Operation and Maintenance Budget Estimates will help ensure that Special Operations Forces (SOF) will remain at the highest level of operational readiness possible in order to continue to lead the fight against terrorism.

Long term success in the Global War on Terrorism depends largely upon our ability to rapidly employ a sustainable mix of capabilities with little warning. Non-traditional approaches are required to counter and defeat the elusive, asymmetric, and disruptive threats pervasive in today's operational environment. To meet this demand, USSOCOM has invested in capabilities to improve SOF warrior systems, advance force operations, specialized training, institutional training, organizational structure, leap-ahead technology, and force structure and manpower to support the Command's most important asset – the SOF warrior.

USSOCOM faces a strategic environment characterized by rapid geopolitical change and technological advancement, evolving threats, and emerging new roles. These factors require innovative thinking and new ways to shape change to provide the widest array of options to protect American interests. To meet this challenge, USSOCOM is pursuing a holistic approach to transformation through training, organizational structure, and technology. We must establish command and control infrastructures

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

which complement the Combatant Commanders and invest in programs and systems improving special operations forces (SOF) speed, agility, precision, lethality, stealth, survivability, and sustainability.

To remain the most capable and relevant SOF in the world, USSOCOM is pursuing the elimination of legacy systems in order to invest in more relevant and beneficial warfighting assets. This requires hard decisions, but results in our ability to respond faster to counter global threats. Key resourcing initiatives identified in this Budget Estimate submission will support transformation of special operations in the realm of materiel, maintenance, tactics, manpower, organization, training and doctrine.

The USSOCOM Fiscal Year 2006 Budget Estimate submission funds the resources necessary to continue to provide full spectrum, multi-mission global SOF that provides a comprehensive set of unique capabilities for the nation.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

PROGRAM CHANGES ARE AS FOLLOWS (\$ in millions):

| <u>BA-1 OPERATING FORCES</u> | FY 2004 Actuals | Price Change | Program Change | FY 2005 Estimate | Price Change | Program Change | FY 2006 Estimate |
|--|----------------------------|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| OPERATIONAL FORCES | | | | | | | |
| FLIGHT OPERATIONS | 696.7 | 32.1 | -14.5 | 714.3 | 26.0 | -48.2 | 692.1 |
| SHIP/BOAT OPERATIONS | 87.0 | -.3 | -32.1 | 54.6 | 1.3 | .2 | 56.1 |
| COMBAT DEV ACTIVITIES | 674.7 | -50.6 | -228.6 | 395.5 | 6.0 | 13.9 | 415.4 |
| OTHER OPERATIONS | 543.4 | -78.2 | -240.8 | 224.6 | 3.3 | 15.0 | 242.9 |
| OPERATIONAL SUPPORT | | | | | | | |
| FORCE RELATED TRAINING | 37.5 | .1 | 3.2 | 40.8 | .4 | -6.1 | 35.1 |
| OPERATIONAL SUPPORT | 87.8 | .1 | -47.6 | 40.3 | .9 | .7 | 41.9 |
| INTELLIGENCE & COMM | 209.2 | 3.5 | -47.7 | 165.0 | 3.3 | 3.6 | 171.9 |
| MGT/OPERATIONAL HQTRS | 167.1 | 3.1 | -65.0 | 105.2 | 2.4 | 9.7 | 117.3 |
| DEPOT MAINTENANCE | 153.1 | 4.0 | -27.3 | 129.8 | 1.9 | 10.4 | 142.1 |
| BASE SUPPORT | 28.2 | .4 | -15.0 | 13.7 | .3 | 2.0 | 16.0 |
| SKILL AND ADVANCED TRAINING | | | | | | | |
| SPECIALIZED SKILL TRAINING | 109.1 | 1.8 | -19.1 | 91.8 | 2.0 | 22.0 | 115.8 |
| PROF DEVELOPMENT EDUCATION | 10.8 | .2 | -5.9 | 5.1 | .1 | 1.3 | 6.5 |
| BASE SUPPORT | 1.8 | .1 | -.1 | 1.8 | - | - | 1.8 |
| LOGISTICS OPERATIONS | | | | | | | |
| ACQ/PROGRAM MANAGEMENT | 62.8 | 1.8 | -2.6 | 61.9 | 1.3 | .9 | 64.1 |
| MFP-3 | - | - | 76.0 | 76.0 | 1.4 | 9.0 | 86.4 |
| <u>TOTAL SPECIAL OPERATIONS COMMAND</u> | 2,869.4 | -81.9 | -667.1 | 2,120.4 | 50.8 | 34.5 | 2,205.7 |

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

Budget Activity 1: Operating Forces

All SOCOM funding is in BA-1; specific sub-activities contributing to the program growth follow:

- **Flight Operations** decrease \$22.2 million, including price growth of \$26.0 million. Major program changes include:
 - Flying Hour Program decreases (\$-45.9 million). This reduction results from 12,466 less flying hours in FY 2006 and also reveals the effect of high OPTEMPO coupled with dramatic changes in spare usage, spare prices, and cost-per-flying-hour rates.
 - Flight Operations decreases (\$-2.3 million) were generated from savings associated with the consolidation and relocation of contractor logistics support maintenance for aviation assets.
- **Ship/Boat Operations** increase \$1.5 million, including price growth of \$1.3 million. Major program changes include:
 - Naval Special Warfare surface and underwater maritime platforms, supports additional personnel and increased operational sustainment (\$.2 million).
- **Combat Development Activities** increase \$19.9 million, including price growth of \$6.0 million.
 - See Classified Submission provided under separate cover.
- **Other Operations** increase \$ 18.3 million, including price growth of \$3.3 million. Major program changes include:
 - Naval Special Warfare (NSW) operational groups to support and equip additional military personnel (\$+10.5 million). This increase in NSW personnel will increase the number of operational SEAL platoons and support personnel beginning in FY 2006.
 - Psychological Operations Broadcast Systems (POBS) support and maintenance (\$+4.5 million).
- **Force Related Training** decreases \$5.7 million, including price growth of \$.4 million. Major program changes include:
 - Joint Combined Exchange Training (JCET) and Joint Exercises (JCSX) decreased to reflect recent trends (\$-6.1 million). Higher operational tempo associated with the GWOT has temporarily reduced the ability to participate at normal levels.
- **Operational Support** increases \$1.6 million, including price growth of \$0.9 million. Major program changes include:
 - Centralized logistical readiness capabilities at US Army Special Operations Support Command, Ft Bragg, NC (\$+.7 million).

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

- **Intelligence and Communications** increases \$6.9 million, including price growth of \$3.3 million. Major program changes include:
 - Increase for additional maintenance and sustainment for the following SOF programs; Joint Threat Warning System (JTWS), Special Operations Mission Planning Environment (SOMPE), and the Joint Tactical Radio System (JTRS) (\$+7.6 million);
 - Increase to accelerate the capital equipment replacement cycle (CERP) for the Command, Control, Communications and Intelligence Automation System (C4IAS) to a five year cycle (\$+1.9 million);
 - Transfer in to the Intelligence and Communication Sub Activity of a program previously reported within Combat Development Activities, to properly reflect funds management and execution (\$+5.0 million);
 - Decrease for the FY 2005 conclusion of the Multi-Mission Advanced Tactical Terminal (MATT) program (-\$.8 million);
 - Decrease for the one time FY 2005 cost associated with block upgrades and replacements for SCAMPI(not an acronym) (\$-3.1 million);
 - Decrease reflecting the new centrally funded DISA billing structure associated with the Global Information Grid Bandwidth Expansion and Defense Information Systems Network (\$-6.0 million);
 - Decrease for the completion of FY 2005 Congressional support for Knowledge Superiority for the transitional warfighter (\$-1.0 million).
- **Management/Operational Headquarters** increases \$12.1 million, including price growth of \$2.4 million. Major program changes include:
 - Additional workyears at US Army Special Operations Command (USASOC), Air Force Special Operations Command (AFSOC), HQ USSOCOM, and the Theatre Special Operations Commands (\$+7.0 million);
 - Additional requirements for the joint training mission at Special Operations Command Joint Forces Command (SOFJFCOM) (\$+.9 million); and
 - Readiness capabilities at US Army Special Operations Support Command, Ft Bragg, NC (\$+1.8 million).
- **Depot Maintenance** increases \$12.3 million, including price growth of \$1.9 million. Major program changes include:
 - Sustainment and maintenance for SOF warrior systems such as Body Armor Load carrying System (BALCS), Light Weight Protective Combat Uniform (LEPCU), Modular Integrated Communications Helmut (MICH), Unmanned Vehicles (UVs), Night Vision Devices (NVDs), and Special Operations tactical vehicles (\$+10.4 million).
- **Base Support** increases \$2.3 million, including price growth of \$.3 million. Major program changes include:
 - Programmatic increase related to initial O&M facility costs associated the completion of Naval Special Warfare MILCON projects (\$+2.0 million).

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

- **Specialized Skill Training** increases \$24.0 million, including price growth of \$2.0 million. Major program changes include:
 - One-time and permanent increases associated with USSOCOM's efforts to significantly expand training capabilities. Key initiatives include plans to expand the training pipeline for SOF forces as well as increasing advanced SOF training capabilities. These increases provide instructors, equipment, supplies, and other necessities required to support additional student load and additional facility requirements (\$+22.0 million).
- **Professional Development Education** increases \$1.4 million, including price growth of \$.1 million. Major program changes include:
 - Programmatic increase provides funding for faculty, course development, metrics management, course evaluation, and maintenance of all intermediate and senior level Joint SOF resident and non resident courses at The Joint Special Operations University (JSOU) (\$+1.3 million).
- **Acquisition and Program Management** increases \$2.2 million, including price growth of \$1.3 million. Major program changes include:
 - Software upgrades for SOF Simulator Training Systems (STS) (\$+1.8 million);
 - Vertical Lift Terrain Following/Terrain Avoidance Radar program management and development requirements (\$+4.4 million);
 - Conclusion of several acquisition and program management initiatives (\$-2.8 million); and
 - Changes in contract task orders associated with the MC 130-H platform (\$-2.5 million).
- **MFP 3** increases \$2.3 million, including price growth of \$1.4 million.
 - See Classified Submission provided under separate cover.

UNITED STATES SPECIAL OPERATIONS COMMAND (USSOCOM)

USSOCOM FLYING OPERATIONS

Support Special Operations aviation assets operated by Army and Air Force active and Air Force guard and reserve units. Special Operations Forces (SOF) aviation missions including insertion, extraction, resupply, aerial fire support, air-to-air refueling, psychological operations, aerial security, medical evacuation, electronic warfare, mine dispersal, and command and control.

| | FY 2004 <u>Actual</u> | FY 2004 <u>Change</u> | FY 2005 <u>Estimate</u> | FY 2005 <u>Change</u> | FY 2006 <u>Estimate</u> |
|--|--------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| <u>Aircraft Inventory (PAA) (End FY)</u> | | | | | |
| <u>Air Force Special Operations Command</u> | | | | | |
| Tactical/Mobility | 88 | 1 | 89 | -1 | 88 |
| Training | <u>22</u> | = | <u>22</u> | <u>3</u> | <u>25</u> |
| Total | 110 | 1 | 111 | 2 | 113 |
| <u>United States Army Special Operations Command</u> | | | | | |
| Tactical/Mobility | 112 | 8 | 120 | 9 | 129 |
| Training | <u>23</u> | <u>6</u> | <u>29</u> | <u>-4</u> | <u>25</u> |
| Total | 135 | 14 | 149 | 5 | 154 |

1/ The FY 2004 Actuals column includes \$881.5 million of FY 2004 Supplemental funds.

2/ The FY 2005 Estimate column excludes \$15.2 million of Iraq Freedom Fund transfers and \$199.0 million of FY 2004/FY 2005 Title IX obligations.

TRAINING AND EDUCATION

The Training and Education program provides funds (including the costs of staff, curricula, equipment, and services) for the training and educational requirements primarily for military personnel. The principal effort is to acquire and maintain a trained force of personnel able to effectively man and support DoD's military units, ships, aircraft, and installed weapon systems. To accomplish this goal, resources are required to finance the operation of a wide range of training centers, Service schools and colleges, DoD and joint-Service schools, Reserve Officer Training Corps (ROTC) units, Service academies, and the Uniformed Services University of Health Services (USUHS), and to finance the Health Professional Scholarship Program (HPSP). Resources to finance base support activities are also included. The FY 2005 budget request reflects a total funding increase of \$354.2 million. Of this amount, \$225.7 million is for price growth and \$128.5 million (1.8 percent) is for net program growth.

| | (\$ in Millions) | | | | | | |
|---|------------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | <u>Actual</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> | <u>Growth</u> | <u>Growth</u> | <u>Estimate</u> |
| Army | 2,086.5 | +35.6 | +16.1 | 2,138.2 | +47.7 | +185.9 | 2,371.8 |
| Navy | 1,399.4 | +45.8 | -20.5 | 1,424.7 | +37.9 | +12.4 | 1,475.0 |
| Marine Corps | 393.5 | +10.2 | +14.2 | 417.9 | +7.4 | -41.2 | 384.1 |
| Air Force | 2,422.9 | +106.3 | -90.4 | 2,438.8 | +110.9 | -48.3 | 2,501.4 |
| American Forces Information Services AFIS) | 16.4 | 1.0 | 0.0 | 17.4 | 0.8 | 0.0 | 18.2 |
| Defense Acquisition University (DAU) | 103.6 | +2.5 | -6.0 | 100.1 | +2.4 | +3.1 | 105.6 |
| Defense Contract Audit Agency (DCAA) | 5.0 | 0.2 | 0.3 | 5.5 | 0.1 | -0.2 | 5.4 |
| Defense Human Resources Agency (DHRA) | 20.3 | 0.4 | 2.7 | 23.4 | 0.5 | 7.3 | 31.2 |
| Defense Security Services (DSS) | 0.5 | 0.0 | 0.0 | 0.5 | 0.0 | 0.0 | 0.5 |
| Defense Threat Reduction Agency (DTRA) | 4.9 | 0.1 | 0.7 | 5.7 | 0.1 | -0.1 | 5.7 |
| National Defense University (NDU) | 89.5 | +2.1 | +.3 | 91.9 | +2.0 | -26.7 | 67.2 |
| USSOCOM | 121.7 | +2.1 | -25.2 | 98.6 | +2.1 | +23.4 | 124.1 |
| Defense Health Program (DHP) | 413.0 | +12.7 | -9.0 | 416.7 | +13.8 | +12.9 | 443.4 |
| Total | 7,077.2 | +219.0 | -116.8 | 7,179.4 | +225.7 | +128.5 | 7,533.6 |

TRAINING AND EDUCATION

| | (\$ in Millions) | | | | | | |
|---|-------------------|-----------------|-------------------|---------------------|-----------------|-------------------|---------------------|
| | FY 2004 Actual | Price Growth | Program Growth | FY 2005 Estimate | Price Growth | Program Growth | FY 2006 Estimate |
| <u>Recruit Training</u> | | | | | | | |
| Army 1/ | 115.8 | +1.9 | -52.6 | 65.1 | +1.3 | +2.1 | 68.5 |
| Navy | 10.3 | +0.2 | -2.9 | 7.6 | +0.1 | +2.4 | 10.1 |
| Marine Corps | 9.8 | +0.2 | .4 | 10.4 | +0.2 | +0.2 | 10.8 |
| Air Force | <u>9.1</u> | <u>+0.2</u> | <u>-3.7</u> | <u>5.6</u> | <u>+0.1</u> | <u>+0.7</u> | <u>6.4</u> |
| Total | 145.0 | +2.5 | -58.8 | 88.7 | +1.7 | +5.4 | 95.8 |
| <u>Specialized Skills Training</u> | | | | | | | |
| Army | 436.2 | +9.2 | +31.6 | 477.0 | +10.7 | +22.5 | 510.2 |
| Navy | 423.9 | +8.9 | -6.1 | 426.7 | +9.4 | +58.1 | 494.2 |
| Marine Corps | 35.0 | +1.1 | +4.1 | 40.2 | -0.1 | +0.2 | 40.3 |
| Air Force | 346.1 | +9.2 | -26.8 | 328.5 | +8.0 | +23.7 | 360.2 |
| AFIS | 16.1 | +1.0 | - | 17.1 | +0.8 | - | 17.9 |
| DTRA | 4.9 | +0.1 | +0.7 | 5.7 | +0.1 | -0.1 | 5.7 |
| Defense Health Program | 139.8 | +2.9 | -8.3 | 134.4 | +3.2 | +3.0 | 140.6 |
| USSOCOM | <u>109.1</u> | <u>+1.8</u> | <u>-19.1</u> | <u>91.8</u> | <u>+2.0</u> | <u>+22.1</u> | <u>115.9</u> |
| Total | 1,511.1 | +34.2 | -23.9 | 1,521.4 | +34.1 | +129.5 | 1,685.0 |
| <u>Officer Acquisition</u> | | | | | | | |
| Army | 97.2 | +2.5 | .3 | 100.0 | +2.2 | +1.7 | 103.9 |
| Navy | 118.3 | +2.4 | -2.2 | 118.5 | +3.8 | +1.7 | 124.0 |
| Marine Corps | 0.4 | - | -0.1 | 0.3 | - | - | 0.3 |
| Air Force | 70.8 | +2.1 | +1.5 | 74.4 | +1.8 | +2.8 | 79.0 |
| Defense Health Program | <u>235.9</u> | <u>+9.0</u> | <u>-3.0</u> | <u>241.9</u> | <u>+9.6</u> | <u>+14.7</u> | <u>266.2</u> |
| Total | 522.6 | +16.0 | -3.5 | 535.1 | +17.4 | +20.9 | 573.4 |

1/ Includes Army One Station Unit Training (OSUT).

TRAINING AND EDUCATION

| | (\$ in Millions) | | | | | | | |
|--|----------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|--|
| | FY 2004 <u>Estimate</u> | Price <u>Growth</u> | Program <u>Growth</u> | FY 2005 <u>Estimate</u> | Price <u>Growth</u> | Program <u>Growth</u> | FY 2006 <u>Estimate</u> | |
| <u>Professional Development</u> | | | | | | | | |
| Army | 91.7 | +1.7 | +9.2 | 102.6 | +2.2 | +10.1 | 114.9 | |
| Navy | 117.6 | +3.4 | +0.7 | 121.7 | +3.3 | +9.9 | 134.9 | |
| Marine Corps | 9.5 | +0.2 | -0.4 | 9.3 | +0.2 | +1.1 | 10.6 | |
| Air Force | 155.7 | +3.9 | -0.9 | 158.7 | +3.5 | +16.3 | 178.5 | |
| AFIS | 0.3 | - | - | 0.3 | - | - | 0.3 | |
| DAU | 103.6 | +2.5 | -6.0 | 100.1 | +2.4 | +3.1 | 105.6 | |
| DCAA | 5.0 | +0.2 | +0.3 | 5.5 | +0.1 | -0.2 | 5.4 | |
| DHRA | 20.3 | +0.4 | +2.7 | 23.4 | +0.5 | +7.3 | 31.2 | |
| DSS | 0.5 | - | - | 0.5 | - | - | 0.5 | |
| NDU | 89.5 | +2.1 | +0.3 | 91.9 | +2.0 | -26.7 | 67.2 | |
| USSOCOM | 6.9 | +0.2 | -2.0 | 5.1 | +0.1 | +1.3 | 6.5 | |
| Defense Health Program | <u>37.3</u> | <u>+0.8</u> | <u>+2.3</u> | <u>40.4</u> | <u>+1.0</u> | <u>-4.8</u> | <u>36.6</u> | |
| Total | 637.9 | +15.4 | +6.2 | 659.5 | +15.3 | +17.4 | 692.2 | |
| <u>Senior ROTC</u> | | | | | | | | |
| Army | 209.6 | +4.0 | +13.9 | 227.5 | +4.8 | +37.9 | 270.2 | |
| Navy | 91.5 | +5.0 | +2.9 | 99.4 | +5.4 | -1.3 | 103.5 | |
| Air Force | <u>79.9</u> | <u>+1.7</u> | <u>+3.3</u> | <u>84.9</u> | <u>+1.8</u> | <u>+13.2</u> | <u>99.9</u> | |
| Total | 381.0 | +10.7 | +20.1 | 411.8 | +12.0 | +49.8 | 473.6 | |
| <u>Flight Training</u> | | | | | | | | |
| Army | 557.2 | +5.1 | +18.3 | 580.6 | +14.6 | +39.9 | 635.1 | |
| Navy | 395.6 | +21.2 | -0.4 | 416.4 | +11.8 | -63.5 | 364.7 | |
| Marine Corps | - | - | +0.2 | 0.2 | - | - | 0.2 | |
| Air Force | <u>728.9</u> | <u>+62.5</u> | <u>-11.0</u> | <u>780.4</u> | <u>+73.7</u> | <u>-45.0</u> | <u>809.1</u> | |
| Total | 1,681.7 | +88.8 | +7.1 | 1,777.6 | +100.1 | -68.6 | 1,809.1 | |

TRAINING AND EDUCATION

| | (\$ in Millions) | | | | | | | |
|-------------------------|----------------------------|------------------------|--------------------------|----------------------------|------------------------|--------------------------|----------------------------|--|
| | FY 2004 <u>Estimate</u> | Price <u>Growth</u> | Program <u>Growth</u> | FY 2005 <u>Estimate</u> | Price <u>Growth</u> | Program <u>Growth</u> | FY 2006 <u>Estimate</u> | |
| Training Support | | | | | | | | |
| Army | 578.8 | +11.2 | -4.6 | 585.4 | +11.9 | +71.7 | 669.0 | |
| Navy | 242.2 | +4.7 | -12.5 | 234.4 | +4.1 | +5.1 | 243.6 | |
| Marine Corps | 123.2 | +3.4 | +2.2 | 128.8 | +2.6 | +2.6 | 134.0 | |
| Air Force | <u>105.2</u> | <u>+3.1</u> | <u>-3.0</u> | <u>105.3</u> | <u>+2.6</u> | <u>+5.0</u> | <u>112.9</u> | |
| Total | 1,049.4 | +22.4 | -17.9 | 1,053.9 | +21.2 | +84.4 | 1,159.5 | |

Base Support/Facilities Sustainment Restoration and Modernization

| | | | | | | | | |
|--------------|------------|-------------|-------------|------------|----------|----------|------------|---|
| <u>2/</u> | | | | | | | | |
| Army | - | - | - | - | - | - | - | - |
| Navy | - | - | - | - | - | - | - | - |
| Marine Corps | 215.6 | +5.3 | +7.8 | 228.7 | +4.5 | -45.3 | 187.9 | |
| Air Force | 927.2 | +23.6 | -49.8 | 901.0 | +19.4 | -65.0 | 855.4 | |
| USSOCOM | <u>5.7</u> | <u>+0.1</u> | <u>-4.1</u> | <u>1.7</u> | <u>-</u> | <u>-</u> | <u>1.7</u> | |
| Total | 1,148.5 | +29.0 | -46.1 | 1,131.4 | +23.9 | -110.3 | 1,045.0 | |

2/ Includes Base Operations Support and Facilities Sustainment, Restoration and Maintenance in support of training.

PROGRAM DATA (Hours in Thousands)

| Flying Hours | FY 2004 | | FY 2005 | | FY 2006 | |
|---------------------|---------------|---------------|-----------------|---------------|-----------------|--|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | |
| Army | 253 | -20 | 233 | -4 | 229 | |
| Navy | 295 | -5 | 290 | -91 | 199 | |
| Air Force | <u>428</u> | <u>-8</u> | <u>420</u> | <u>-10</u> | <u>410</u> | |
| Total | 976 | -33 | 943 | -105 | 838 | |

TRAINING AND EDUCATION

| <u>WORKLOAD INDICATORS</u> (Student/Trainee Workyears) | | | | | |
|---|----------------|----------------|-----------------|---------------|-----------------|
| | FY 2004 | FY 2005 | FY 2006 | | |
| | Actual | Change | Estimate | Change | Estimate |
| Army | 61,273 | +12,023 | 73,296 | -428 | 72,868 |
| Recruit Training | 12,597 | +1,867 | 14,464 | +673 | 15,137 |
| One Station Unit Training | 11,158 | +2,522 | 13,680 | -1,429 | 12,251 |
| Specialized Skill 3/ | 30,029 | +7,617 | 37,646 | -154 | 37,492 |
| Officer Acquisition | 4,506 | +112 | 4,618 | +35 | 4,653 |
| Flight Training | 1,099 | -274 | 825 | +396 | 1,221 |
| Professional Development | 1,884 | +179 | 2,063 | +51 | 2,114 |
| Navy | 40,736 | +17,790 | 37,489 | -3,859 | 33,630 |
| Recruit Training | 7,306 | -1,419 | 5,887 | -304 | 5,583 |
| One Station Unit Training | - | - | - | - | - |
| Specialized Skill 3/ | 20,485 | +20,229 | 19,677 | -3,081 | 16,596 |
| Officer Acquisition | 1,363 | +129 | 1,492 | -202 | 1,290 |
| Senior ROTC | 6,065 | -121 | 5,944 | -209 | 5,735 |
| Flight Training | 2,954 | -977 | 1,977 | -224 | 1,753 |
| Professional Development | 2,563 | -51 | 2,512 | +161 | 2,673 |
| Marine Corps | 17,049 | +1,638 | 18,687 | +152 | 18,839 |
| Recruit Training | 8,042 | +166 | 8,208 | +5 | 8,213 |
| One Station Unit Training | - | - | - | - | - |
| Specialized Skill 3/ | 7,650 | +1,070 | 8,720 | +148 | 8,868 |
| Officer Acquisition | 322 | +16 | 338 | - | 338 |
| Flight Training | - | - | - | - | - |
| Professional Development | 1,035 | +386 | 1,421 | -1 | 1,420 |

3/ Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

TRAINING AND EDUCATION

| <u>(Student/Trainee Workyears)</u> | | | | | | |
|------------------------------------|---------------|---------------|-----------------|----------------|-----------------|--|
| | FY 2004 | | FY 2005 | | FY 2006 | |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | |
| Air Force | 25,436 | -116 | 25,320 | -491 | 24,829 | |
| Recruit Training | 4,355 | +177 | 4,178 | -179 | 3,999 | |
| One Station Unit Training | - | - | - | - | - | |
| Specialized Skill 3/ | 11,952 | +248 | 12,200 | -159 | 12,041 | |
| Officer Acquisition | 4,737 | -103 | 4,634 | - | 4,634 | |
| Flight Training | 1,702 | -84 | 1,618 | +36 | 1,654 | |
| Professional Development | 2,690 | - | 2,690 | -189 | 2,501 | |
| Defense Health Program | 71,323 | +92 | 71,415 | +11,760 | 83,175 | |
| Recruit Training | - | - | - | - | - | |
| One Station Unit Training | - | - | - | - | - | |
| Specialized Skill | 57,276 | +1,023 | 58,299 | +11,183 | 69,482 | |
| Officer Acquisition | 5,590 | -396 | 5,194 | +461 | 5,655 | |
| Flight Training | - | - | - | - | - | |
| Professional Development | 8,457 | -535 | 7,922 | +116 | 8,038 | |
| USSOCOM | 2,991 | +318 | 3,309 | +692 | 4,001 | |
| Recruit Training | - | - | - | - | - | |
| One Station Unit Training | - | - | - | - | - | |
| Specialized Skill | 2,607 | +278 | 2,885 | +666 | 3,551 | |
| Officer Acquisition | - | - | - | - | - | |
| Flight Training | - | - | - | - | - | |
| Professional Development | 384 | +40 | 424 | +26 | 450 | |

3/ Specialized skill includes initial skill, skill progression, and functional training for both officer and enlisted.

Note: Training workload and dollars includes Guard and Reserve Forces when training is the mission responsibility of the Activity Component.

TRAINING AND EDUCATION

Major program increases and decreases for the Training and Education activity are summarized below:

($\$$ in Millions)

| <u>Recruit Training</u> | <u>+5.4</u> |
|---|----------------------|
| • Army equipment purchases for Basic Combat Training | +2.1 |
| • Navy supplies, materials, contracts and increased alterations and printing due to additional recruits | +2.0 |
| • Air Force increase in for Basic Military Training and Recruiting Service operations | +0.7 |
| • Navy transfer in to more accurately account for Recruit Training costs | +0.4 |
| • Marine Corps supplies and equipment | +0.2 |
| <u>Specialized Skill Training</u> | <u>+129.7</u> |
| • Army Defense Language Program – reduce student to instructor ratio, increase classrooms, improve curricula | +59.1 |
| • Navy functional transfers from multiple SAGs to more accurately account for Specialized Skill Training costs | +40.7 |
| • Special Operations – to increase special forces combat capability | +22.1 |
| • Navy Revolution in Training, Anti-terrorism Force Protection Training, AEGIS training and establishment of Center for Surface Combat Systems | +17.4 |
| • Air Force civilian pay and support adjustment based on FY 2004 execution and competitive sourcing realignment | +15.7 |
| • Defense Health Program (DHP) Armed Forces Radiobiological Research Institute (AFRRI) | +8.7 |
| • Air Force stressed career fields (+4.8) and combat dive course training facility (+2.2) | +7.0 |
| • Marine Corps increase for Military Occupational Specialties (MOS) and Skills Enhancement Training increase for support for newly fielded equipment | +0.2 |
| • Army savings through business reengineering initiatives and one less compensable civilian pay day | -36.6 |
| • Defense Health Program (DHP) – decrease in FY 2006 due to a one-time congressional add in FY 2005 | -4.6 |
| <u>Officer Acquisition</u> | <u>+14.6</u> |
| • Army personnel and equipment support for Academic Library at US Military Academy and Preparatory School | +10.3 |
| • Navy classroom and lab equipment upgrades at Naval Academy | +5.5 |
| • Navy transfers in from other SAGs to more accurately account for program costs | +2.1 |
| • Army savings through business reengineering initiatives and one less compensable civilian pay day | -7.4 |
| • Navy anticipated decrease in average completion time for Seaman-to-Admiral (STA-21) students, the phasing out of STA legacy program, and reduced throughput at Officer Candidate School | -5.8 |
| • Air Force civilian pay repricing and competitive sourcing realignment | -2.9 |
| • Army transfer out to Army Claims for Civilian Injury and Illness Compensation | -1.2 |

Officer Acquisition (continued)

TRAINING AND EDUCATION

- Defense Health Program (DHP) Health Professions Scholarship Program (HPSP) +9.0
- Air Force United States Air Force Academy programs (Zone of the Interior, Agenda for Change, IT Services) +5.0

Professional Development **+17.8**

- Navy Professional Military Education (NPME) program, Naval Postgraduate School, Naval War College, Senior Enlisted and Officer Training +16.9
- Army full implementation of Intermediate Level Education Course (ILE) at Fort Leavenworth, KS (+12.3) and increase to Doctrine and Training Products Development program for US Army Sergeants Major Academy (+2.6) +14.9
- Air Force civilian pay repricing, competitive sourcing, travel, Information technology, advisory assistance contracts +13.0
- Defense Health Program (DHP) Professional Development +8.2
- Defense Leadership and Management Program (DLAMP) facility support and program enhancements +7.3
- Defense Acquisition University Professional Development training +3.1
- Special Operations Professional Development +3.5
- Squadron Officer College (SOC), Air Command Staff College (ACSC), Air War College (AWC), etc. +1.3
- Marine Corps increase to support College of Continuing Education (CCE) +1.1
- National Defense University transfer out of Regional Centers to Defense Security Cooperation Agency -21.7
- Defense Health Program (DHP) decrease in FY 2006 due to a one-time congressional add in FY 2005 -13.0
- Navy One-time congressional increases for Continuing Education Distance Learning, Professional Military Ed, Center for Defense Technology and Education for the Military Services -7.0
- National Defense University one-time congressional adds and management support services -5.0
- Army savings through business reengineering initiatives and one less compensable civilian pay day -4.8

Senior ROTC **+49.8**

- Army transfer from Reserve Personnel appropriation to consolidate funding and increase in 2-year scholarships +37.9
- Air Force Senior Summer Training, Minority Pilot Recruiting, Nurse Production, Rising Sophomores, etc. +13.2
- Navy transfer from Reserve Personnel appropriation to consolidate funding +3.3
- Navy decrease in scholarships and associated supplies and materials -4.6

Flight Training **-69.4**

TRAINING AND EDUCATION

- Army Flight School XXI +30.8
- Army Undergraduate Flying Training +14.8
- Navy transfers to better align Flight Training costs +1.1
- Navy decrease in flight training. Instead Navy will reutilize 15% of non-flying O-3/O-4/O-5's to fill flying billets. -61.3
- Air Force Flying Training hours, Contract Logistics Support, and training contracts -45.9
- Army savings through business reengineering initiatives and one less compensable civilian pay day -5.7
- Navy one-time cost for Heli Landing Trainer (HLT) overhaul -1.7
- Navy one-time cost for night vision goggles for advanced helo training -1.5

Training Support

- Army development of training doctrine and materials. Technical redesign of leader development courses. +35.0
- Army repair parts for tactical equipment used in conducting soldier training +30.1
- Army transfer in from various SAGs for Military Training Service Support (MTSS) Program +25.4
- Navy Human Performance Command to optimize Naval war-fighting performance +15.9
- Marine Corps Range Investment Strategy and sustainment +10.3
- Air Force travel to schools (+2.8), printing of course materials (+1.6), replacement of broadcast equipment (+0.8) +5.2
- Air Force engineering and installation support +4.9
- Navy Knowledge On-Line (\$3.4), Multi-Purpose Electronic Classrooms (\$1.4), Service Engineering Agent and Software support (-\$1.8) +3.0
- Marine Corps civilian workforce training (\$1.0), additional workyears (\$.5), and new equipment (\$.4) +1.9
- Navy relocation of Submarine Multi Mission Team Trainer from San Diego, CA to Kings Bay, GA +1.0
- Army savings through business reengineering initiatives and one less compensable civilian pay day -18.8
- Navy transfers to/from other SAGs to more accurately account for program costs -14.7
- Marine Corps decreases in contract support, travel, and training -9.6
- Air Force civilian pay repricing and competitive sourcing realignment -5.7

Base Support/Facilities Sustainment Restoration and Modernization (FSRM)

- Marine Corps increases to provide Base Operating Support adequately +4.3
- Air Force decrease to FSRM. In FY 2006 Air Force is funded at 95% of FSRM requirement. -57.3
- Marine Corps realignment of Navy Marine Corps Intranet (NMCI) to Budget Activity 1, Operating Forces -48.0
- Air Force decreases to Base Support for civilian pay repricing, competitive sourcing, and base communications -10.7
- Marine Corps reduction in demolition projects and travel -2.8

TRANSPORTATION

| | (\$ in Millions) | | | | | | |
|----------------------|------------------|---------------|-----------------|-----------------|---------------|---------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 1,408.7 | -5.7 | -993.2 | 409.8 | .3 | +60.5 | 470.6 |
| Navy | 325.8 | 3.7 | -171.4 | 158.1 | +3.0 | +27.6 | 188.3 |
| Marine Corps | 268.1 | 5.9 | -233.5 | 40.5 | -1.3 | -0.8 | 38.4 |
| Air Force | 397.9 | -42.6 | -350.8 | 4.5 | -0.1 | +187.9 | 192.3 |
| Defense-Wide | 245.0 | -51.2 | +6.1 | 199.9 | -8.2 | +31.0 | 222.7 |
| Army Reserve | 1.6 | - | +4.2 | 5.8 | +0.1 | -1.5 | 4.4 |
| Navy Reserve | 4.2 | +0.1 | -0.5 | 3.8 | +0.1 | -0.2 | 3.7 |
| Marine Corps Reserve | 0.6 | - | +0.2 | 0.8 | - | - | 0.8 |
| Air Force Reserve | 2.0 | - | +0.4 | 2.4 | - | -0.2 | 2.2 |
| Army National Guard | 1.3 | - | +1.1 | 2.4 | - | +6.1 | 8.5 |
| Air National Guard | <u>23.0</u> | <u>-3.6</u> | <u>-10.6</u> | <u>8.8</u> | <u>+0.2</u> | <u>+2.9</u> | <u>11.9</u> |
| Total | 2,678.2 | -93.4 | -1,748.0 | 836.8 | -5.9 | +313.3 | 1,143.8 |

Transportation cost, which is a subset of operations cost such as airlift and sealift, funds the movement of materiel between contractors' plants, military logistics centers, and field activities throughout the world. The Components purchase transportation from DoD activities in the Defense Working Capital Funds (DWCF) and from commercial sources. Transportation consists of two types: First Destination and Second Destination. In addition to DoD military supplies and equipment, other major commodities shipped include overseas mail, subsistence items, and Base Exchange stock.

In FY 2006, total DoD transportation costs are \$1,143.8 million, a net increase of \$307.4 million from the FY 2005 estimate of \$836.8 million. This net increase includes a price decrease of \$-5.9 million and a net program increase of \$313.3 million (37.4 percent). The price change is due to both the different mix in the types of transportation procured and changes in the Working Capital Fund approved transportation rates. The FY 2006 program increases are mostly due to: increased Army's transportation requirements associated with the Army's ability to provide a "rapid response operation" for Second Destination and the Navy's resumption of full-year costs for military mail, which was reduced in FY 2005. In addition, the FY 2005 Transportation funding line is understated by \$153.4 million pending an anticipated funding restoral from the Transportation Working Capital Fund per language in the FY 2005 DoD Appropriations Committee Conference Report Section 8123. The Air Force also anticipates additional mission shipping requirements in

TRANSPORTATION

FY 2006 of \$34.5 million dollars. Finally, the FY 2006 budget reflects the restoration of transportation funding related to the Joint Chiefs of Staff Exercise Program, which was reduced in FY 2005 as a result of Congressional direction and general reduction.

First Destination Transportation

First Destination Transportation (FDT) finances the transportation costs for delivery of items purchased using Operation and Maintenance resources directly from the manufacturer. Transportation costs for delivery of procurement-funded weapon systems and equipment or supplies and equipment purchased through the Defense Working Capital Fund are not included here. The following table summarizes FDT funding:

| | First Destination Transportation | | | | | | |
|-----------------------------|---|-------------------------|---------------------------|-----------------------------|-------------------------|---------------------------|-----------------------------|
| | FY 2004 Actual | Price Change | Program Change | FY 2005 Estimate | Price Change | Program Change | FY 2006 Estimate |
| Major Commodity | 55.6 | +0.7 | -24.7 | 31.6 | +0.7 | +0.8 | 33.1 |
| Military Supplies and Equip | 55.6 | +0.7 | -24.7 | 31.6 | +0.7 | +0.8 | 33.1 |
| Mode of Shipment | 55.6 | +0.7 | -24.7 | 31.6 | +0.7 | +0.8 | 33.1 |
| Military Commands | 11.3 | - | -5.0 | 6.3 | +0.1 | - | 6.4 |
| Surface | 3.3 | - | -1.0 | 2.3 | +0.1 | - | 2.4 |
| Sealift | - | - | - | - | - | - | - |
| Airlift | 8.0 | - | -4.0 | 4.0 | - | - | 4.0 |
| Commercial | 44.3 | +0.8 | -19.7 | 25.3 | +0.6 | +0.8 | 26.7 |
| Surface | 36.2 | +0.7 | -12.6 | 24.2 | +0.5 | +0.4 | 25.1 |
| Sea | - | - | - | - | - | - | - |
| Air | 8.1 | +0.1 | -7.1 | 1.1 | +0.1 | +0.4 | 1.6 |

Second Destination Transportation

Funding for Second Destination Transportation (SDT) finances the movement of equipment and materiel among and between depots, logistics centers, and field activities including: retrograde cargo; Post Office mail; strategic missiles; support of classified and special

TRANSPORTATION

programs; spare parts and other cargo by either military airlift and sealift worldwide, commercial surface transportation, or commercial air carriers operating daily flights over regular routes within the Continental United States and Alaska; accessory transportation services such as vessel per diem, retention and demurrage charges; and other cargo. The following table summarizes SDT funding:

| <u>Major Commodity</u> | <u>Second Destination Transportation</u> <u>(\$ in millions)</u> | | | | | | |
|--------------------------------|---|---------------|-----------------|-----------------|---------------|----------------|-----------------|
| | FY 2004 | Price | Program | FY 2005 | Price | Program | FY 2006 |
| | Actual | Change | Change | Estimate | Change | Change | Estimate |
| Supplies and Equip | 2,622.8 | -94.1 | -1,723.1 | 805.6 | -6.9 | +312.3 | 1,111.0 |
| Mail Overseas | 1,727.0 | -77.4 | -1,141.5 | 508.2 | -10.6 | +279.3 | 776.9 |
| Subsistence | 456.0 | -5.8 | -347.8 | 102.4 | +1.9 | +88.1 | 192.5 |
| Base Exchange | 163.9 | -5.9 | -127.9 | 30.1 | +0.2 | +3.9 | 34.2 |
| | 275.9 | -5.0 | -105.9 | 165.0 | +1.5 | -59.1 | 107.4 |
| <u>Mode of Shipment</u> | | | | | | | |
| Military Commands | 1,548.4 | -111.8 | -919.5 | 517.1 | -13.2 | +207.5 | 711.3 |
| Surface | 320.6 | +22.4 | -159.5 | 183.5 | -10.3 | +30.7 | 203.8 |
| Sealift | 311.2 | -28.6 | -74.5 | 208.0 | +0.4 | +81.3 | 289.7 |
| Airlift | 916.7 | -105.6 | -685.5 | 125.6 | -3.3 | +95.6 | 217.8 |
| Commercial | 1,074.4 | +17.7 | -803.6 | 288.5 | +6.3 | +104.8 | 399.7 |
| Surface | 449.8 | +7.4 | -333.3 | 123.8 | +2.2 | +32.9 | 158.9 |
| Sea | - | - | - | - | - | - | - |
| Air | 613.8 | +10.1 | -477.6 | 146.3 | +3.8 | +71.1 | 221.3 |
| Other* | 10.8 | +0.2 | +7.4 | 18.3 | +0.3 | +0.9 | 19.5 |

*May not add due to rounding.

**Other includes container leasing, shipping equipment (e.g., cranes), storage costs and cargo tracking systems.

CIVILIAN PERSONNEL

| <u>By Department/Defense-Wide</u> | <u>FY 2004 Estimate</u> | <u>Change</u> | <u>FY 2005 Estimate</u> | <u>Change</u> | <u>FY 2006 Estimate</u> |
|-----------------------------------|-------------------------|---------------|-------------------------|---------------|-------------------------|
| Army | 226,579 | +2,073 | 228,652 | +119 | 228,771 |
| Navy | 194,625 | +397 | 195,022 | +1,380 | 196,402 |
| Air Force | 160,388 | +2,720 | 163,108 | +3,382 | 166,490 |
| Defense-Wide | <u>107,763</u> | <u>+3,209</u> | <u>110,972</u> | <u>-653</u> | <u>110,319</u> |
| DoD Total | 689,355 | +8,399 | 697,754 | +4,228 | 701,982 |

Workyear increases between FY 2005 and FY 2006 are primarily due to military to civilian conversions.

By Type of Hire

| | | | | | |
|--------------------------------|----------------|---------------|----------------|---------------|----------------|
| U.S. Direct Hire | | +9,633 | | +4,895 | |
| Foreign National Direct Hire | 635,515 | -185 | 645,148 | -215 | 650,043 |
| Total – Direct Hire | 14,926 | +9,448 | 14,741 | +4,680 | 14,526 |
| Foreign National Indirect Hire | <u>650,441</u> | <u>-1,049</u> | <u>659,889</u> | <u>-452</u> | <u>664,569</u> |
| DoD Total | 38,914 | +8,399 | 37,865 | +4,228 | 413 |
| | 689,355 | | 697,754 | | 701,982 |

By Appropriation

| | | | | | |
|---|----------------|---------------|--------------|---------------|--------------|
| Operation and Maint, Active & Defense-Wide | | +598 | | +4,011 | |
| Operation and Maintenance, Reserve | 386,266 | +1,025 | 386,864 | +813 | 390,875 |
| Operation and Maintenance, National Guard | 25,212 | +3,969 | 26,237 | +901 | 27,050 |
| Research, Development, Test, and Evaluation | 46,636 | -1,807 | 50,605 | +443 | 51,506 |
| Military Construction | 28,633 | +30 | 26,826 | -17 | 27,269 |
| Family Housing | 8,210 | +522 | 8,240 | -377 | 8,223 |
| Defense Working Capital Funds | 189,272 | +3,970 | 2,540 | -1,795 | 2,163 |
| Pentagon Reservation Maintenance Fund | | +146 | | +85 | |

CIVILIAN PERSONNEL

ARMY

| <u>Direct Hires by Appropriation</u> | <u>FY 2004</u> | <u>Change</u> | <u>FY 2005</u> | <u>Change</u> | <u>FY 2006</u> |
|--|-----------------|---------------|-----------------|---------------|-----------------|
| | <u>Estimate</u> | | <u>Estimate</u> | | <u>Estimate</u> |
| <u>Operation and Maintenance, Army</u> | | | | | |
| U. S. Direct Hire | 119,243 | -1,741 | 117,502 | -394 | 117,108 |
| Foreign National Direct Hire | <u>580</u> | <u>+24</u> | <u>7,604</u> | <u>-295</u> | <u>7,309</u> |
| Total Direct Hire | 126,823 | -1,717 | 125,106 | -689 | 124,417 |
| <u>Operation and Maintenance, Army Reserve</u> | | | | | |
| U. S. Direct Hire | 9,852 | +771 | 10,623 | +729 | 11,352 |
| Foreign National Direct Hire | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Direct Hire | 9,852 | +771 | 10,623 | +729 | 11,352 |
| <u>Operation and Maintenance, Army National Guard</u> | | | | | |
| U. S. Direct Hire | 23,774 | +2,630 | 26,404 | +474 | 26,878 |
| Foreign National Direct Hire | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Direct Hire | 23,774 | +2,630 | 26,404 | +474 | 26,878 |
| <u>Research, Development, Test & Evaluation, Army</u> | | | | | |
| U. S. Direct Hire | 18,480 | -1,222 | 17,258 | -5 | 17,253 |
| Foreign National Direct Hire | <u>133</u> | <u>+6</u> | <u>39</u> | <u>-</u> | <u>139</u> |
| Total Direct Hire | 18,613 | -1,216 | 17,397 | -5 | 17,392 |

CIVILIAN PERSONNEL

ARMY

| <u>Direct Hires by Appropriation</u> | <u>FY 2004</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2005</u> <u>Estimate</u> | <u>Change</u> | <u>FY 2006</u> <u>Estimate</u> |
|--|-----------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| Military Construction, Army | | | | | |
| U. S. Direct Hire | 5,292 | +33 | 5,325 | +53 | 5,378 |
| Foreign National Direct Hire | <u>342</u> | <u>-46</u> | <u>296</u> | <u>-13</u> | <u>283</u> |
| Total Direct Hire | 5,634 | -13 | 5,621 | +40 | 5,661 |
| Family Housing, Army | | | | | |
| U. S. Direct Hire | 632 | -9 | 623 | -125 | 498 |
| Foreign National Direct Hire | <u>49</u> | <u>-3</u> | <u>46</u> | <u>+1</u> | <u>47</u> |
| Total Direct Hire | 681 | -12 | 669 | -124 | 545 |
| Working Capital Fund, Army | | | | | |
| U. S. Direct Hire | 22,698 | +2,820 | 25,518 | -115 | 25,403 |
| Foreign National Direct Hire | <u>68</u> | <u>-1</u> | <u>67</u> | <u>-</u> | <u>67</u> |
| Total Direct Hire | 22,766 | +2,819 | 25,585 | -115 | 25,470 |
| Coalition Provisional Authority, Army | | | | | |
| U. S. Direct Hire | 277 | -277 | - | - | - |
| Foreign National Direct Hire | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Direct Hire | 277 | -277 | - | - | - |
| Army Total | | | | | |
| U. S. Direct Hire | 200,248 | +3,005 | 203,253 | +617 | 203,870 |
| Foreign National Direct Hire | <u>8,172</u> | <u>-20</u> | <u>8,152</u> | <u>-307</u> | <u>7,845</u> |

CIVILIAN PERSONNEL

| | | | |
|-------------------|---------|--------|---------|
| Total Direct Hire | 208,420 | +2,985 | 211,405 |
|-------------------|---------|--------|---------|

| | |
|------|---------|
| +310 | 211,715 |
|------|---------|

ARMY

Summary of Changes

Direct Hires

| | <u>FY05-06</u> |
|---|----------------|
| | <u>Change</u> |
| Industrial Operations GWOT Workload | 497 |
| Military to Civilian Conversions | +2,216 |
| Army Restructure Initiatives | -618 |
| Transfer NDU to OSD | -309 |
| Increase Host Nation Support - Japan | +146 |
| Increased support to Special Ops Mission | +102 |
| Transfer Marshall Center to OSD | -133 |
| TAA11 Generating Force Workload Reduction | -1,439 |
| Transfer Medical Lead Agents to TMA | -62 |
| Other Force Structure Adjustments | <u>-90</u> |
| Total Direct Hire | +310 |

ARMY

| | <u>FY 2004 Estimate</u> | <u>Change</u> | <u>FY 2005 Estimate</u> | <u>Change</u> | <u>FY 2006 Estimate</u> |
|---|-------------------------|---------------|-------------------------|---------------|-------------------------|
| <u>Indirect Hires by Appropriation</u> | | | | | |
| Operation and Maintenance, Army | 17,339 | -948 | 16,391 | -154 | 16,237 |
| Military Construction, Army | 254 | +21 | 275 | -47 | 228 |
| Family Housing, Army | 348 | +39 | 387 | +12 | 399 |
| Working Capital Fund, Army | <u>218</u> | <u>-24</u> | <u>194</u> | <u>-2</u> | <u>192</u> |
| Total Indirect Hire | 18,159 | -912 | 17,247 | -191 | 17,056 |

Army Total

CIVILIAN PERSONNEL

| | | | | | |
|-----------------------------|----------------|---------------|----------------|-------------|----------------|
| Total Direct Hire | 208,420 | +2,985 | 211,405 | +310 | 211,715 |
| Total Indirect Hire | 18,159 | -912 | 17,247 | -191 | 17,056 |
| Total Army Civilians | 226,579 | +2,073 | 228,652 | +119 | 228,771 |

NAVY

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|-----------------|---------------|-----------------|---------------|-----------------|
| | Estimate | Change | Estimate | Change | Estimate |
| <u>Direct Hires by Appropriation</u> | | | | | |
| <u>Operation and Maintenance, Navy</u> | | | | | |
| U. S. Direct Hire | 80,030 | -380 | 79,650 | -303 | 79,347 |
| Foreign National Direct Hire | <u>2,868</u> | <u>-54</u> | <u>2,814</u> | <u>+23</u> | <u>2,837</u> |
| Total Direct Hire | 82,898 | -434 | 82,464 | -280 | 82,184 |
| <u>Operation and Maintenance, Marine Corps</u> | | | | | |
| U. S. Direct Hire | 11,811 | -148 | 11,663 | +1,164 | 12,827 |
| Foreign National Direct Hire | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Direct Hire | 11,811 | -148 | 11,663 | +1,164 | 12,827 |
| <u>Operation and Maintenance, Navy Reserve</u> | | | | | |
| U. S. Direct Hire | 1,455 | +42 | 1,497 | -137 | 1,360 |
| Foreign National Direct Hire | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Direct Hire | 1,455 | +42 | 1,497 | -137 | 1,360 |
| <u>Operation and Maintenance, Marine Corps Reserve</u> | | | | | |
| U. S. Direct Hire | 164 | -9 | 155 | - | 155 |
| Foreign National Direct Hire | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Direct Hire | 164 | -9 | 155 | - | 155 |

Research, Development, Test and Evaluation, Navy

CIVILIAN PERSONNEL

| | | | | | |
|------------------------------|------------|------------|------------|-----------|------------|
| U. S. Direct Hire | 1,065 | +34 | 1,099 | +5 | 1,104 |
| Foreign National Direct Hire | <u>327</u> | <u>-53</u> | <u>274</u> | <u>-2</u> | <u>272</u> |
| Total Direct Hire | 1,392 | -19 | 1,373 | +3 | 1,376 |

NAVY

| | FY 2004 | | FY 2005 | | FY 2006 |
|---|-----------------|-------------|-----------------|-------------|-----------------|
| | Estimate | | Estimate | | Estimate |
| <u>Direct Hires by Appropriation</u> | | | | | |
| <u>Military Construction, Navy</u> | | | | | |
| U. S. Direct Hire | 2,191 | +20 | 2,211 | -10 | 2,201 |
| Foreign National Direct Hire | <u>61</u> | <u>-</u> | <u>61</u> | <u>-</u> | <u>61</u> |
| Total Direct Hire | 2,252 | +20 | 2,272 | -10 | 2,262 |
| <u>Family Housing, Navy</u> | | | | | |
| U. S. Direct Hire | 719 | +470 | 1,189 | -237 | 952 |
| Foreign National Direct Hire | <u>146</u> | <u>+26</u> | <u>172</u> | <u>-28</u> | <u>144</u> |
| Total Direct Hire | 865 | +496 | 1,361 | -265 | 1,096 |
| <u>Working Capital Fund, Navy</u> | | | | | |
| U. S. Direct Hire | 82,366 | +220 | 82,586 | +966 | 83,552 |
| Foreign National Direct Hire | <u>21</u> | <u>-</u> | <u>21</u> | <u>-</u> | <u>21</u> |
| Total Direct Hire | 82,387 | +220 | 82,607 | +966 | 83,573 |
| <u>Total Navy</u> | | | | | |
| U. S. Direct Hire | 167,826 | +406 | 168,232 | +284 | 168,516 |
| Foreign National Direct Hire | <u>3,423</u> | <u>-81</u> | <u>3,342</u> | <u>-7</u> | <u>3,335</u> |
| Total Direct Hire | 171,249 | +325 | 171,574 | +277 | 171,851 |

CIVILIAN PERSONNEL

NAVY

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|-----------------|-------------|-----------------|---------------|-----------------|
| | Estimate | | Estimate | | Estimate |
| <u>Direct Hires by Appropriation</u> | | | | | |
| Total – Marine Corps | | | | | |
| U. S. Direct Hire | 11,975 | -157 | 11,818 | +1,164 | 12,982 |
| Foreign National Direct Hire | — | — | — | — | — |
| Total Direct Hire | 11,975 | -157 | 11,818 | +1,164 | 12,982 |
| <u>Total Department of Navy (DON)</u> | | | | | |
| U. S. Direct Hire | 179,801 | +249 | 180,050 | +1,448 | 181,498 |
| Foreign National Direct Hire | 3,423 | -81 | 3,342 | -7 | 3,335 |
| Total Direct Hire | 183,224 | +168 | 183,392 | +1,441 | 184,833 |
| <u>Summary of Changes</u> | | | FY 05-06 | | |
| <u>Direct Hires</u> | | | Change | | |
| Changes to Working Capital Fund Workload | | | <u>+960</u> | | |
| Depot Maintenance | | | -84 | | |
| Transportation | | | +637 | | |
| Supply | | | -121 | | |
| Research and Development | | | -763 | | |
| Other Workload Changes | | | +1,291 | | |
| Changes to Non-Working Capital Fund Workload | | | <u>+481</u> | | |
| Base Spt & Real Property Maint (Navy) | | | -1,827 | | |
| Base Spt & Real Property Maint (MC) | | | +996 | | |
| Medical | | | +1,457 | | |
| Engineering/Acquisition Commands | | | +46 | | |
| Other | | | -191 | | |

CIVILIAN PERSONNEL

Total Direct Hires

+1,441

NAVY

| | FY 2004 | | FY 2005 | | FY 2006 |
|---|-----------------|-------------|-----------------|------------|-----------------|
| | Estimate | | Estimate | | Estimate |
| <u>Indirect Hires by Appropriation</u> | | | | | |
| Operation and Maintenance, Navy | 6,183 | +11 | 6,194 | -55 | 6,139 |
| Operation and Maintenance, Marine Corps | 3,367 | +119 | 3,486 | - | 3,486 |
| Research, Development, Test, and Eval, Navy | 3 | - | 3 | - | 3 |
| Military Construction, Navy | 70 | +2 | 72 | - | 72 |
| Family Housing, Navy | 124 | -1 | 123 | - | 123 |
| Working Capital Fund, Navy | <u>1,654</u> | <u>+98</u> | <u>1,752</u> | <u>-6</u> | <u>1,746</u> |
| Total Indirect Hire | 11,401 | +229 | 11,630 | -61 | 11,569 |

DON Direct Hire

| | | | | | |
|----------------------------|----------------|-------------|----------------|---------------|----------------|
| Navy | 171,249 | +325 | 171,574 | +277 | 171,851 |
| Marine Corps | <u>11,975</u> | <u>-157</u> | <u>11,818</u> | <u>+1,164</u> | <u>12,982</u> |
| Total – Direct Hire | 183,224 | +168 | 183,392 | +1,441 | 184,833 |

DON Indirect Hire

| | | | | | |
|------------------------------|---------------|-------------|---------------|------------|---------------|
| Navy | 8,034 | +110 | 8,144 | -61 | 8,083 |
| Marine Corps | <u>3,367</u> | <u>+119</u> | <u>3,486</u> | <u>-</u> | <u>3,486</u> |
| Total – Indirect Hire | 11,401 | +229 | 11,630 | -61 | 11,569 |

Total Department of the Navy

| | | | | | |
|------------------------|----------------|-------------|----------------|---------------|----------------|
| Navy | 179,283 | +435 | 179,718 | +216 | 179,934 |
| Marine Corps | <u>15,342</u> | <u>-38</u> | <u>15,304</u> | <u>+1,164</u> | <u>16,468</u> |
| Total Civilians | 194,625 | +397 | 195,022 | +1,380 | 196,402 |

CIVILIAN PERSONNEL

AIR FORCE

| | FY 2004 Estimate | Change | FY 2005 Estimate | Change | FY 2006 Estimate |
|---|-----------------------------|---------------|-----------------------------|---------------|-----------------------------|
| <u>Direct Hires by Appropriation</u> | | | | | |
| <u>Operation and Maintenance, Air Force</u> | | | | | |
| U. S. Direct Hire | 80,373 | +1,776 | 82,149 | +3,583 | 85,732 |
| Foreign National Direct Hire | <u>2,113</u> | <u>-142</u> | <u>1,971</u> | <u>+111</u> | <u>2,082</u> |
| Total Direct Hire | 82,486 | +1,634 | 84,120 | +3,694 | 87,814 |
| <u>Operation and Maintenance, Air Force Reserve</u> | | | | | |
| U. S. Direct | 13,741 | +221 | 13,962 | +221 | 14,183 |
| Foreign National Direct Hire | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Direct Hire | 13,741 | +221 | 13,962 | +221 | 14,183 |
| <u>Operation and Maintenance, Air National Guard</u> | | | | | |
| U. S. Direct | 22,862 | +1,339 | 24,201 | +427 | 24,628 |
| Foreign National Direct Hire | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Direct Hire | 22,862 | +1,339 | 24,201 | +427 | 24,628 |
| <u>Research, Development, Test, and Evaluation, Air Force</u> | | | | | |
| U. S. Direct Hire | 7,316 | -696 | 6,620 | +415 | 7,035 |
| Foreign National Direct Hire | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| Total Direct Hire | 7,316 | -696 | 6,620 | +415 | 7,035 |
| <u>Working Capital Fund, Air Force</u> | | | | | |
| U. S. Direct Hire | 27,291 | +642 | 27,933 | -1,228 | 26,705 |
| Foreign National Direct Hire | <u>117</u> | <u>+5</u> | <u>122</u> | <u>—</u> | <u>122</u> |

CIVILIAN PERSONNEL

| | | | | | |
|------------------------------|------------------------|----------------------|------------------------|----------------------|------------------------|
| Total Direct Hire | 27,408 | +647 | 28,055 | -1,228 | 26,827 |
| | FY 2004 | | FY 2005 | | FY 2006 |
| | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Air Force Total | | | | | |
| U. S. Direct Hire | 151,583 | +3,282 | 154,865 | +3,418 | 158,283 |
| Foreign National Direct Hire | <u>2,230</u> | <u>-137</u> | <u>2,093</u> | <u>+111</u> | <u>2,204</u> |
| Total Direct Hire | 153,813 | +3,145 | 156,958 | +3,529 | 160,487 |

Summary of Changes

Direct Hires

| | |
|----------------------------------|---------------|
| Strategic Force | -161 |
| General Purpose Forces | +1,405 |
| Intelligence and Communications | -581 |
| General Research and Development | +267 |
| Other Defense Wide Missions | +141 |
| Logistics Support | +1,010 |
| Personnel Support | +795 |
| Other Centralized Support | <u>+653</u> |
| Total Direct Hires | +3,529 |

Indirect Hires by Appropriation

| | | | | | |
|--------------------------------------|--------------|-------------|--------------|-------------|--------------|
| Operation and Maintenance, Air Force | 6,362 | -443 | 5,919 | -147 | 5,772 |
| Working Capital Fund, Air Force | <u>213</u> | <u>+18</u> | <u>231</u> | <u>-</u> | <u>231</u> |
| Total Indirect Hire | 6,575 | -425 | 6,150 | -147 | 6,003 |

Air Force Total

| | | | | | |
|-------------------|----------------|---------------|----------------|---------------|----------------|
| Total Direct Hire | 153,813 | +3,145 | 156,958 | +3,529 | 160,487 |
|-------------------|----------------|---------------|----------------|---------------|----------------|

CIVILIAN PERSONNEL

| | | | | | |
|----------------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|
| Total Indirect Hire | <u>6,575</u> | <u>-425</u> | <u>6,150</u> | <u>-147</u> | <u>6,003</u> |
| Total Air Force Civilians | <u>160,388</u> | <u>+2,720</u> | <u>163,108</u> | <u>+3,382</u> | <u>166,490</u> |

DEFENSE-WIDE ACTIVITIES

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|-----------------|------------|-----------------|-----------|-----------------|
| | Estimate | | Estimate | | Estimate |
| <u>Direct Hires by Appropriation</u> | | | | | |
| <u>Operation and Maintenance, Defense-Wide</u> | | | | | |
| U. S. Direct Hire | 48,366 | +2,393 | 50,759 | +478 | 51,237 |
| Foreign National Direct Hire | <u>454</u> | <u>+12</u> | <u>466</u> | <u>-8</u> | <u>458</u> |
| Total Direct Hire | 48,820 | +2,405 | 51,225 | +470 | 51,695 |
| <u>Research, Development, Test, & Evaluation, Defense-Wide</u> | | | | | |
| U. S. Direct Hire | 1,309 | +124 | 1,433 | +30 | 1,463 |
| Foreign National Direct Hire | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Direct Hire | 1,309 | +124 | 1,433 | +30 | 1,463 |
| <u>Working Capital Fund</u> | | | | | |
| U. S. Direct Hire | 51,377 | +212 | 51,589 | -1,341 | 50,248 |
| Foreign National Direct Hire | <u>647</u> | <u>+41</u> | <u>688</u> | <u>-4</u> | <u>684</u> |
| Total Direct Hire | 52,024 | +253 | 52,277 | -1,345 | 50,932 |

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

| | FY 2004 Estimate | Change | FY 2005 Estimate | Change | FY 2006 Estimate |
|--|-----------------------------|---------------|-----------------------------|---------------|-----------------------------|
| <u>Direct Hires by Appropriation</u> | | | | | |
| Pentagon Reservation Fund | | | | | |
| U. S. Direct Hire | 1,042 | +146 | 1,188 | +85 | 1,273 |
| National Defense Stockpile | | | | | |
| U. S. Direct Hire | 164 | +18 | 182 | -37 | 145 |
| Building Maintenance Fund | | | | | |
| U. S. Direct Hire | 50 | +8 | 58 | - | 58 |
| Defense Health Program | | | | | |
| U. S. Direct Hire | 314 | -12 | 302 | +192 | 494 |
| U. S. Court of Appeals for the Armed Forces | | | | | |
| U. S. Direct Hire | 53 | +6 | 59 | - | 59 |
| Office of the Inspector General | | | | | |
| U. S. Direct Hire | 1,208 | +202 | 1,410 | +5 | 1,415 |
| Total Defense-Wide Activities | | | | | |
| U. S. Direct Hire | 103,883 | +3,097 | 106,980 | -588 | 106,392 |
| Foreign National Direct Hire | <u>1,101</u> | <u>+53</u> | <u>1,154</u> | <u>-12</u> | <u>1,142</u> |
| Total Direct Hire | 104,984 | +3,150 | 108,134 | -600 | 107,534 |

CIVILIAN PERSONNEL

DEFENSE-WIDE ACTIVITIES

Summary of Changes

Direct Hires

| | FY 05-06 |
|---|-----------------|
| | Change |
| Defense Security Service | -677 |
| Defense Contract Management Agency | -295 |
| Defense Finance and Accounting Services | -249 |
| Defense Logistics Agency | -211 |
| Defense Legal Services Agency | +100 |
| Washington Headquarters Services | +123 |
| TRICARE Management Activity | +196 |
| Defense Security Cooperation Agency | +303 |
| Other Activities | +110 |
| Total Direct Hires | -600 |

Indirect Hires by Appropriation

| | FY 2004 | FY 2005 | FY 2006 |
|---|---------------------|-------------------|---------------------|
| | Estimate | Change | Estimate |
| Operation and Maintenance, Defense-Wide | 177 | +119 | 296 |
| Office of the Inspector General | - | +1 | 1 |
| Defense Health Program | - | - | - |
| Working Capital Fund, Defense-Wide | <u>2,602</u> | <u>-61</u> | <u>2,541</u> |
| Total Indirect Hire | 2,779 | +59 | 2,838 |
| Total Direct Hire | 104,984 | +3,150 | 108,134 |
| Total Indirect Hire | <u>2,779</u> | <u>+59</u> | <u>2,838</u> |
| | | | -600 |
| | | | 107,534 |
| | | | <u>-53</u> |
| | | | <u>2,785</u> |

CIVILIAN PERSONNEL

| | | | | | |
|------------------------------|----------------|--------|----------------|------|----------------|
| Total Defense-Wide Civilians | 107,763 | +3,209 | 110,972 | -653 | 110,319 |
|------------------------------|----------------|--------|----------------|------|----------------|

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

ACTIVE FORCE PERSONNEL

(End Strength)

| | FY 2004 | | FY 2005 | | FY 2006 |
|-----------------------------|------------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| | <u>Actual</u> ^{/1} | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| DoD Total by Type | <u>1,426,836</u> | <u>-43,836</u> | <u>1,383,000</u> | <u>-15,500</u> | <u>1,367,500</u> |
| Officer | 228,124 | -9,366 | 218,758 | +315 | 219,073 |
| Enlisted | 1,186,074 | -34,032 | 1,152,042 | -15,715 | 1,136,327 |
| Cadets | 12,638 | -438 | 12,200 | -100 | 12,100 |
| DoD Total by Service | <u>1,426,836</u> | <u>-43,836</u> | <u>1,383,000</u> | <u>-15,500</u> | <u>1,367,500</u> |
| Army | 499,543 | -17,143 | 482,400 | +0 | 482,400 |
| Navy | 373,197 | -7,297 | 365,900 | -13,200 | 352,700 |
| Marine Corps | 177,480 | -2,480 | 175,000 | +0 | 175,000 |
| Air Force | 376,616 | -16,916 | 359,700 | -2,300 | 357,400 |

^{/1} Includes end strength funded from Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

(End Strength)

| <u>End Strength by Service</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|--------------------------------|----------------------------|----------------|------------------|----------------|------------------|
| | <u>Actual^{/1}</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 499,543 | -17,143 | 482,400 | +0 | 482,400 |
| Officer | 80,968 | -2,468 | 78,500 | -300 | 78,200 |
| Enlisted | 414,438 | -14,738 | 399,700 | +500 | 400,200 |
| Cadets | 4,137 | +63 | 4,200 | -200 | 4,000 |
| Navy | 373,197 | -7,297 | 365,900 | -13,200 | 352,700 |
| Officer | 54,208 | -1,338 | 52,870 | -975 | 51,895 |
| Enlisted | 314,681 | -5,651 | 309,030 | -12,325 | 296,705 |
| Cadets | 4,308 | -308 | 4,000 | +100 | 4,100 |
| Marine Corps | 177,480 | -2,480 | 175,000 | +0 | 175,000 |
| Officer | 18,839 | -751 | 18,088 | +312 | 18,400 |
| Enlisted | 158,641 | -1,729 | 156,912 | -312 | 156,600 |
| Air Force | 376,616 | -16,916 | 359,700 | -2,300 | 357,400 |
| Officer | 74,109 | -4,809 | 69,300 | +1,278 | 70,578 |
| Enlisted | 298,314 | -11,914 | 286,400 | -3,578 | 282,822 |
| Cadets | 4,193 | -193 | 4,000 | +0 | 4,000 |
| DoD Total | 1,426,836 | -43,836 | 1,383,000 | -15,500 | 1,367,500 |
| Officer | 228,124 | -9,366 | 218,758 | +315 | 219,073 |
| Enlisted | 1,186,074 | -34,032 | 1,152,042 | -15,715 | 1,136,327 |
| Cadets | 12,638 | -438 | 12,200 | -100 | 12,100 |

^{/1} Includes end strength funded from Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

(Average Strength)

| <u>Average Strength by Service</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> |
|------------------------------------|----------------------------|-----------------|------------------------------|----------------|------------------|
| | <u>Actual^{/1}</u> | <u>Change</u> | <u>Estimate^{/2}</u> | <u>Change</u> | <u>Estimate</u> |
| Army | 616,323 | -119,488 | 496,835 | -12,523 | 484,312 |
| Officer | 96,107 | -15,103 | 81,004 | -512 | 80,492 |
| Enlisted | 516,145 | -104,360 | 411,785 | -12,011 | 399,774 |
| Cadets | 4,071 | -25 | 4,046 | +0 | 4,046 |
| Navy | 385,533 | -16,435 | 369,098 | -10,270 | 358,828 |
| Officer | 56,260 | -2,009 | 54,251 | -1,114 | 53,137 |
| Enlisted | 325,079 | -14,267 | 310,812 | -9,046 | 301,766 |
| Cadets | 4,194 | -159 | 4,035 | -110 | 3,925 |
| Marine Corps | 184,249 | -4,666 | 179,583 | -5,532 | 174,051 |
| Officer | 20,221 | -1,448 | 18,773 | +8 | 18,781 |
| Enlisted | 164,028 | -3,218 | 160,810 | -5,540 | 155,270 |
| Air Force | 401,826 | -33,389 | 368,437 | +83 | 368,520 |
| Officer | 79,403 | -7,787 | 71,616 | +1,878 | 73,494 |
| Enlisted | 318,451 | -25,656 | 292,795 | -1,813 | 290,982 |
| Cadets | 3,972 | +54 | 4,026 | +18 | 4,044 |
| DoD Total | 1,587,931 | -173,978 | 1,413,953 | -28,242 | 1,385,711 |
| Officer | 251,991 | -26,347 | 225,644 | +260 | 225,904 |
| Enlisted | 1,323,703 | -147,501 | 1,176,202 | -28,410 | 1,147,792 |
| Cadets | 12,237 | -130 | 12,107 | -92 | 12,015 |

^{/1} Includes average strength funded from Emergency Supplemental Appropriations Act for Defense and for the Reconstruction of Iraq and Afghanistan, 2004 (P.L. 108-106).

^{/2} FY 2005 estimate includes average strength funded from appropriations provided by Title IX of the FY 2005 DoD Appropriations Act (P.L. 108-287).

MILITARY PERSONNEL/ACTIVE FORCE PERSONNEL

U.S. SPECIAL OPERATIONS COMMAND (USSOCOM) SUPPORT

Included within the Services' estimates are the following active military end strength that provide direct support to the United States Special Operations Command (USSOCOM)

| | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Estimate</u> |
|----------------------------|--------------------------|----------------------------|----------------------------|
| | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| <u>Army</u> | <u>15,648</u> | <u>+2,399</u> | <u>18,047</u> |
| Officer | 3,039 | +448 | 3,487 |
| Enlisted | 12,609 | +1,951 | 14,560 |
| <u>Navy</u> | <u>5,077</u> | <u>+176</u> | <u>5,253</u> |
| Officer | 852 | +4 | 856 |
| Enlisted | 4,225 | +172 | 4,397 |
| <u>Marine Corps</u> | <u>81</u> | <u>+1</u> | <u>82</u> |
| Officer | 40 | -1 | 39 |
| Enlisted | 41 | +2 | 43 |
| <u>Air Force</u> | <u>8,833</u> | <u>+888</u> | <u>9,721</u> |
| Officer | 1,659 | +191 | 1,850 |
| Enlisted | 7,174 | +697 | 7,871 |
| <u>DoD Total</u> | <u>29,639</u> | <u>+3,464</u> | <u>33,103</u> |
| Officer | 5,590 | +642 | 6,232 |
| Enlisted | 24,049 | +2,822 | 26,871 |
| | | | |

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

(Military End Strength/ Civilian Full-Time Equivalents)

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|----------------|---------------|-----------------|----------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Total Selected Reserve | 851,302 | +9,498 | 860,800 | -12,300 | 848,500 |
| Trained in Units | 718,309 | -8,682 | 709,627 | -11,831 | 697,796 |
| Individual Mobilization Augmentees (IMAs) | 15,865 | +7,347 | 23,212 | -1,970 | 21,242 |
| Training Pipeline | 50,926 | +4,998 | 55,924 | -109 | 55,815 |
| Full-time Duty | 66,202 | +5,835 | 72,037 | +1,610 | 73,647 |
| Active Military Support to Reserves | 9,285 | -188 | 9,097 | -4 | 9,093 |
| Civilian FTEs For Reserves/National Guard | 71,848 | +4,994 | 76,842 | +1,714 | 78,556 |
| (Technicians Included Above) | 60,743 | +5,718 | 66,461 | +1,325 | 67,786 |
| Selected Reserve By Service | 851,302 | +9,498 | 860,800 | -12,300 | 848,500 |
| Army Reserve | 204,131 | +869 | 205,000 | + | 205,000 |
| Navy Reserve | 82,558 | +842 | 83,400 | -10,300 | 73,100 |
| Marine Corps Reserve | 39,658 | -58 | 39,600 | + | 39,600 |
| Air Force Reserve | 75,322 | +778 | 76,100 | -2,100 | 74,000 |
| Army National Guard | 342,918 | +7,082 | 350,000 | + | 350,000 |
| Air National Guard | 106,715 | -15 | 106,700 | +100 | 106,800 |

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

| (Military End Strength/ Civilian Full-Time Equivalents) | | | | | |
|---|-----------------------|--------------------|-----------------------|-----------------------|-----------------------|
| | FY 2004 | FY 2005 | FY 2006 | | |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Army Reserve (AR) | <u>204,131</u> | <u>+869</u> | <u>205,000</u> | <u>+</u> | <u>205,000</u> |
| Trained in Units | 173,997 | -5,798 | 168,199 | +6,068 | 174,267 |
| Individual Mobilization Augmentees (IMAs) | 1,324 | +6,676 | 8,000 | -2,000 | 6,000 |
| Training Pipeline | 14,229 | -398 | 13,831 | -4,368 | 9,463 |
| Full-time Duty | 14,581 | +389 | 14,970 | +300 | 15,270 |
| Active Military Support to AR | <u>414</u> | <u>-137</u> | <u>277</u> | <u>+</u> | <u>277</u> |
| Civilian FTE for AR | <u>9,852</u> | <u>+771</u> | <u>10,623</u> | <u>+729</u> | <u>11,352</u> |
| (Technicians Included Above) | 6,228 | +1,460 | 7,688 | +441 | 8,129 |
| Navy Reserve (NR) | <u>82,558</u> | <u>+842</u> | <u>83,400</u> | <u>-10,300</u> | <u>73,100</u> |
| Trained in Units | 68,107 | +865 | 68,972 | -9,546 | 59,426 |
| Individual Mobilization Augmentees (IMAs) | 199 | -31 | 168 | + | 168 |
| Training Pipeline | 134 | -26 | 108 | +6 | 114 |
| Full-time Duty | 14,118 | +34 | 14,152 | -760 | 13,392 |
| Active Military Support to NR | <u>3,090</u> | <u>-11</u> | <u>3,079</u> | <u>-9</u> | <u>3,070</u> |
| Civilian FTEs for NR | <u>1,455</u> | <u>+42</u> | <u>1,497</u> | <u>-137</u> | <u>1,360</u> |
| (Technicians Included Above) | 0 | + | 0 | + | 0 |
| Marine Corps Reserve (MCR) | <u>39,658</u> | <u>-58</u> | <u>39,600</u> | <u>+</u> | <u>39,600</u> |
| Trained in Units | 32,457 | -504 | 31,953 | -25 | 31,928 |
| Individual Mobilization Augmentees (IMAs) | 1,808 | +320 | 2,128 | + | 2,128 |
| Training Pipeline | 3,130 | +128 | 3,258 | +25 | 3,283 |
| Full-time Duty | 2,263 | -2 | 2,261 | + | 2,261 |
| Active Military Support to MCR | <u>4,362</u> | <u>+39</u> | <u>4,401</u> | <u>+4</u> | <u>4,405</u> |
| Civilian FTEs for MCR | <u>164</u> | <u>-9</u> | <u>155</u> | <u>+</u> | <u>155</u> |
| (Technicians Included Above) | 0 | + | 0 | + | 0 |

SELECTED RESERVE, NATIONAL GUARD, AND RESERVE SUPPORT PERSONNEL

| | (Military End Strength/ Civilian Full-Time Equivalents) | | | | |
|---|---|---------------|-----------------|---------------|-----------------|
| | FY 2004 | | FY 2005 | | FY 2006 |
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| Air Force Reserve (AFR) | 75,322 | +778 | 76,100 | -2,100 | 74,000 |
| Trained in Units | 58,755 | -579 | 58,176 | -2,554 | 55,622 |
| Individual Mobilization Augmentees (IMAs) | 12,534 | +382 | 12,916 | +30 | 12,946 |
| Training Pipeline | 2,344 | +764 | 3,108 | +34 | 3,142 |
| Full-time Duty | 1,689 | +211 | 1,900 | +390 | 2,290 |
| Active Military Support for AFR | 700 | -89 | 611 | -7 | 604 |
| Civilian FTEs for AFR | 13,741 | +221 | 13,962 | +221 | 14,183 |
| (Technicians Included Above) | 9,538 | +440 | 9,978 | -24 | 9,954 |
| Army National Guard (ARNG) | 342,918 | +7,082 | 350,000 | ± | 350,000 |
| Trained in Units | 292,832 | -2,527 | 290,305 | -4,937 | 285,368 |
| Individual Mobilization Augmentees (IMAs) | 0 | + | 0 | + | 0 |
| Training Pipeline | 28,069 | +5,024 | 33,093 | +4,194 | 37,287 |
| Full-time Duty | 22,017 | +4,585 | 26,602 | +743 | 27,345 |
| Active Military Support to ARNG | 184 | + | 184 | + | 184 |
| Civilian FTEs for ARNG | 23,774 | +2,630 | 26,404 | +474 | 26,878 |
| (Technicians Included Above) | 23,274 | +2,630 | 25,904 | +481 | 26,385 |
| Air National Guard (ANG) | 106,715 | -15 | 106,700 | +100 | 106,800 |
| Trained in Units | 92,161 | -139 | 92,022 | -837 | 91,185 |
| Individual Mobilization Augmentees (IMAs) | 0 | + | 0 | + | 0 |
| Training Pipeline | 3,020 | -494 | 2,526 | + | 2,526 |
| Full-time Duty | 11,534 | +618 | 12,152 | +937 | 13,089 |
| Active Military Support for ANG | 535 | +10 | 545 | +8 | 553 |
| Civilian FTEs for ANG | 22,862 | +1,339 | 24,201 | +427 | 24,628 |
| (Technicians Included Above) | 21,703 | +1,188 | 22,891 | +427 | 23,318 |

DOD CUSTOMER FUEL PRICES

The Department of Defense (DoD) procures only refined fuel products. The fuel prices identified in the following table include the cost of the crude oil, refining, inventory control, transportation, and storage.

The DoD makes refined fuel purchases in a two-step process involving both the Defense Logistics Agency (DLA) and the individual Service or Agency customers. The DLA, through its Defense Energy Support Center operating under the Defense Working Capital Fund (DWCF), purchases most of the fuel and subsequently sells it primarily to DoD customers. This operation permits the Department to take advantage of price breaks for large quantity purchases and allows the DoD customer to plan on a stabilized price for all products during that fiscal year.

Based on current economic assumptions, the FY 2006 budget has established the stabilized composite price of \$61.74 per barrel to be charged to DoD customers in FY 2006. The FY 2006 stabilized composite price has increased slightly above the FY 2005 stabilized price of \$56.28 per barrel.

The following table reflects the composite price and stabilized prices by fuel product that DoD customers are paying and will pay for fuel in each fiscal year.

(Rates in Dollars)

| <u>Product Type</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> | |
|----------------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> |
| AVGAS OCONUS | \$3.85 | \$161.7 | \$6.00 | \$252.0 | \$6.58 | \$276.36 | \$6.27 | \$263.34 |
| AVGAS CONUS | \$1.10 | \$46.20 | \$1.52 | \$63.84 | \$1.67 | \$70.14 | \$1.59 | \$66.78 |
| Motor Gas Leaded | \$1.15 | \$48.30 | \$1.61 | \$67.62 | \$1.77 | \$74.34 | \$1.68 | \$70.56 |
| Motor Gas Unleaded | \$1.10 | \$46.20 | \$1.37 | \$57.54 | \$1.50 | \$63.00 | \$1.43 | \$60.06 |
| Premium | \$1.12 | \$47.04 | \$1.55 | \$65.10 | \$1.70 | \$71.40 | \$1.62 | \$68.04 |
| Midgrade | \$1.02 | \$42.84 | \$1.38 | \$57.96 | \$1.51 | \$63.42 | \$1.44 | \$60.48 |
| Regular | \$0.97 | \$40.74 | \$1.31 | \$55.02 | \$1.44 | \$60.48 | \$1.37 | \$57.54 |
| Gasohol | \$0.97 | \$40.74 | \$1.38 | \$57.96 | \$1.51 | \$63.42 | \$1.44 | \$60.48 |
| Jet Fuel Widecut | \$1.01 | \$42.42 | \$1.38 | \$57.96 | \$1.51 | \$63.42 | \$1.44 | \$60.48 |
| Jet Fuel Commercial Grade | \$0.91 | \$38.22 | \$1.34 | \$56.28 | \$1.47 | \$61.74 | \$1.40 | \$58.80 |
| JP-5 | \$0.93 | \$39.06 | \$1.36 | \$57.12 | \$1.49 | \$62.58 | \$1.42 | \$59.64 |
| JP-8 | \$0.91 | \$38.22 | \$1.34 | \$56.28 | \$1.47 | \$61.74 | \$1.40 | \$58.80 |
| Distillates | \$0.84 | \$35.28 | \$1.33 | \$55.86 | \$1.46 | \$61.32 | \$1.39 | \$58.38 |

DOD CUSTOMER FUEL PRICES

| <u>Product Type</u> | <u>FY 2004</u> | | <u>FY 2005</u> | | <u>FY 2006</u> | | <u>FY 2007</u> | |
|----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> | <u>Gallon</u> | <u>Barrel</u> |
| Diesel (Generic) | \$0.97 | \$40.74 | \$1.31 | \$55.02 | \$1.44 | \$60.48 | \$1.37 | \$57.54 |
| Diesel KSN PC&S | \$0.95 | \$39.90 | \$1.27 | \$53.34 | \$1.39 | \$58.38 | \$1.33 | \$55.86 |
| Diesel KS1 PC&S | \$0.98 | \$41.16 | \$1.32 | \$55.44 | \$1.45 | \$60.90 | \$1.38 | \$57.96 |
| Diesel FS2 PC&S | \$0.87 | \$36.54 | \$1.15 | \$48.30 | \$1.26 | \$52.92 | \$1.20 | \$50.40 |
| Diesel FS1 PC&S | \$0.97 | \$40.74 | \$1.31 | \$55.02 | \$1.44 | \$60.48 | \$1.37 | \$57.54 |
| Diesel DF2 High Sulfur | \$1.03 | \$43.26 | \$1.20 | \$50.40 | \$1.32 | \$55.44 | \$1.25 | \$52.50 |
| Diesel DL2 Low Sulfur | \$0.90 | \$37.80 | \$1.40 | \$58.80 | \$1.54 | \$64.68 | \$1.46 | \$61.32 |
| Diesel DL1 Low Sulfur | \$1.02 | \$42.84 | \$1.54 | \$64.68 | \$1.69 | \$70.98 | \$1.61 | \$67.62 |
| Diesel DF1 High Sulfur | \$1.04 | \$43.68 | \$1.34 | \$56.28 | \$1.47 | \$61.74 | \$1.40 | \$58.80 |
| Residuals | \$0.78 | \$32.76 | \$1.01 | \$42.42 | \$1.11 | \$46.62 | \$1.06 | \$44.52 |
| Navy Reclaimed | \$0.62 | \$26.04 | \$0.78 | \$32.76 | \$0.86 | \$36.12 | \$0.81 | \$34.02 |
| Into Plane Jet Fuel | \$1.10 | \$46.20 | \$1.52 | \$63.84 | \$1.67 | \$70.14 | \$1.59 | \$66.78 |
| Into Plane AVGAS | \$2.21 | \$92.82 | \$3.32 | \$139.44 | \$3.64 | \$152.88 | \$3.47 | \$145.74 |
| Local Purchase Jet Fuel | \$1.66 | \$69.72 | \$2.48 | \$104.16 | \$2.72 | \$114.24 | \$2.59 | \$108.78 |
| Local Purchase Ground Fuel | \$1.43 | \$60.06 | \$2.11 | \$88.62 | \$2.31 | \$97.02 | \$2.20 | \$92.40 |
| Bunker - Marine | \$0.79 | \$33.18 | \$1.02 | \$42.84 | \$1.12 | \$47.04 | \$1.07 | \$44.94 |
| Bunker - Intermediate | \$0.69 | \$28.98 | \$0.85 | \$35.70 | \$0.93 | \$39.06 | \$0.89 | \$37.38 |
| Local Purchase Bunker | \$1.25 | \$52.50 | \$1.82 | \$76.44 | \$2.00 | \$84.00 | \$1.90 | \$79.80 |
| Special Fuels JPTS | \$1.69 | \$100.80 | \$3.90 | \$163.80 | \$3.90 | \$163.80 | \$3.90 | \$168.30 |
| Composite Price | \$0.91 | \$38.22 | \$1.34 | \$56.28 | \$1.47 | \$61.74 | \$1.40 | \$58.80 |
| Budgeted DWCF Cost | \$1.06 | \$44.52 | \$1.57 | \$65.94 | \$1.47 | \$61.74 | \$1.40 | \$58.80 |

FOREIGN CURRENCY FLUCTUATION RATES

Foreign Currency Fluctuations, Defense

The Foreign Currency Fluctuations, Defense (FCF,D) appropriation was established in FY 1979 to enable execution of budgeted programs with minimal concern for adverse variations in foreign currency exchange rates. This centralized account is managed by the Under Secretary of Defense (Comptroller). Funds are transferred from this appropriation to selected DoD Components' Operation and Maintenance and Military Personnel appropriations to offset net losses in purchasing power because of unfavorable fluctuations in the foreign currency exchange rates of specified currencies. If a net gain results, the asset is transferred from the gaining appropriation to the FCF,D appropriation to replenish the fund. Unobligated balances from the prior two years for Operation and Maintenance and Military Personnel appropriations can be transferred to the FCF,D for further replenishing the fund. The specified currencies are shown below as well as the rates used to formulate the budget. The Department will use these rates to measure foreign currency fluctuation during execution. These rates are expressed in terms of units of foreign currency that can be purchased with one (1) U.S. dollar.

| <u>FOREIGN CURRENCY EXCHANGE RATES</u> (Units of Foreign Currency Per One U.S. Dollar) | | | | President's Budget Rates |
|---|-----------------------------|------------------------|-----------------|-------------------------------------|
| <u>Country</u> | <u>Monetary Unit</u> | Execution Rates | | FY 2006 |
| | | FY 2004 | FY 2005 | |
| Denmark | Krone | 7.7996 | 7.7996 | 6.0170 |
| European Community | Euro | 1.0314 | 1.0314 | .8785 |
| Japan | Yen | 125.4900 | 125.4900 | 115.0000 |
| Norway | Krone | 7.6394 | 7.6394 | 6.7510 |
| Iceland | Krona | - | - | 82.1990 |
| Singapore | Dollar | 1.8037 | 1.8037 | 1.7410 |
| South Korea | Won | 1,255.0000 | 1,255.0000 | 1,205.2000 |
| Turkey | Lira | 1,694,915.0000 | 1,694,915.0000* | 1.514427 |
| United Kingdom | Pound | 0.6517 | 0.6517 | 0.5930 |

* The Central Bank of Turkey announced that the Turkey Lira was redenominated on January 1, 2005 by dropping six zeros off the currency, i.e., the Department's New Turkey Lira rate for FY 2005 is 1.694915; for FY 2006, 1.514427.

KEY ACTIVITY INDICATORS

| | FY 2004 | | FY 2005 | | FY 2006 |
|---|----------------|---------------|-----------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Estimate</u> |
| <u>ARMY</u> | | | | | |
| Active Duty Military Personnel (End Strength) | 499,543 | -17,143 | 482,400 | - | 482,400 |
| Civilian Personnel (O&M FTEs) | 144,098 | -2,664 | 141,434 | -849 | 140,585 |
| Total Aircraft Inventory (TAI) | 2,896 | +392 | 2,504 | +13 | 2,517 |
| Primary Authorized Aircraft (PAA) | 2,288 | -141 | 2,147 | -4 | 2,143 |
| Flying Hours (000s) | 672 | -40 | 632 | -146 | 486 |
| Training Workloads | 61,273 | +12,023 | 73,296 | -428 | 72,868 |
| Major Installations | 140 | -1 | 139 | - | 139 |
| <u>NAVY</u> | | | | | |
| Active Duty Military Personnel (End Strength) | 373,197 | -7,297 | 365,900 | -13,200 | 352,700 |
| Civilian Personnel (O&M FTEs) | 89,067 | -421 | 88,646 | -335 | 88,311 |
| Total Aircraft Inventory (TAI) | 2,770 | -183 | 2,587 | -40 | 2,547 |
| Primary Authorized Aircraft (PAA) (Active) | 2,409 | -42 | 2,367 | -50 | 2,317 |
| Flying Hours (000's) | 1,152 | -23 | 1,129 | -138 | 991 |
| Ship Inventory (Ship Years) | 287 | -10 | 277 | -10 | 267 |
| Steaming Hours (000's) (Conventional) | 419 | +12 | 431 | -38 | 393 |
| Steaming Hours (000's) (Nuclear) | 20 | +152 | 172 | -11 | 161 |
| Training Workloads | 40,736 | -2,695 | 38,041 | -1,330 | 36,711 |
| Major Installations | 98 | - | 98 | -1 | 97 |
| <u>MARINE CORPS</u> | | | | | |
| Active Duty Military Personnel (End Strength) | 177,480 | -2,480 | 175,000 | - | 175,000 |
| Civilian Personnel (O&M FTEs) | 15,178 | -29 | 15,149 | +1,164 | 16,313 |
| Training Workloads | 17,049 | +1,638 | 18,687 | -348 | 18,339 |
| Major Installations | 22 | - | 22 | - | 22 |
| Major Supply Depots | 2 | - | 2 | - | 2 |

KEY ACTIVITY INDICATORS

| | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Estimate</u> |
|--|---------------------------------|-----------------------------------|-----------------------------------|
| | Change | Change | Change |
| AIR FORCE | | | |
| Active Duty Military Personnel (End Strength) | 376,616 | -16,914 | 357,400 |
| Civilian Personnel (O&M FTEs) | 88,848 | +1,191 | 93,586 |
| Total Aircraft Inventory (TAI) | 4,072 | -154 | 3,882 |
| Primary Assigned Aircraft (PAA) | 3,370 | +6 | 3,355 |
| Flying Hours (000's) | 1,356 | -77 | 1,239 |
| Training Workloads | 23,092 | +2,039 | 24,911 |
| Major Installations | 77 | - | 77 |
| ARMY RESERVE | | | |
| Total Selected Reserve Strength (End Strength) | 204,131 | +869 | 205,000 |
| Civilian Personnel (O&M FTEs) | 9,852 | +771 | 11,352 |
| Direct Hires | 9,852 | +771 | 11,352 |
| Reimbursables | 85 | -12 | 47 |
| Military Technicians | 6,228 | +1,460 | 8,129 |
| Flying Hours (000's) | 37.0 | +2.7 | 39.1 |
| Primary Authorized Aircraft (PAA) | 154 | -2 | 152 |
| Major Installations | 6 | - | 7 |
| Training Locations (Installations and Reserve Centers) | 829 | - | 842 |
| NAVY RESERVE | | | |
| Total Selected Reserve Strength (End Strength) | 82,558 | +842 | 73,100 |
| Civilian Personnel (O&M FTEs) | 1,455 | +42 | 1,360 |
| Primary Authorized Aircraft (PAA) | 381 | -9 | 364 |
| Flying Hours (000's) | 142 | +9 | 129 |
| Ship Inventory | 24 | - | 20 |
| Steaming Hours (000's) | 48 | -5 | 44 |
| Training Centers | 173 | - | 173 |
| Major Installations | 6 | - | 6 |

KEY ACTIVITY INDICATORS

| | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Estimate</u> |
|---|---------------------------------|-----------------------------------|-----------------------------------|
| | Change | Change | Change |
| <u>MARINE CORPS RESERVE</u> | | | |
| Total Selected Reserve Personnel (End Strength) | 39,658 | -58 | 39,600 |
| Civilian Personnel (O&M FTEs) | 164 | -9 | 155 |
| Division/Wing Team | 1/1 | - | 1/1 |
| Training Centers | 187 | - | 187 |
| <u>AIR FORCE RESERVE</u> | | | |
| Total Selected Reserve Strength (End Strength) | 75,322 | +778 | 76,100 |
| Civilian Personnel (O&M FTEs) | 13,741 | +221 | 13,962 |
| (Technicians Included Above) | 9,538 | +440 | 9,978 |
| Total Aircraft Inventory (TAI) | 408 | -9 | 399 |
| Primary Authorized Aircraft (PAA) | 363 | -8 | 355 |
| Flying Hours (000's) | 110.0 | +19.8 | 129.8 |
| Major Installations | 13 | - | 13 |
| <u>ARMY NATIONAL GUARD</u> | | | |
| Total Selected Reserve Strength (End Strength) | 342,918 | +7,082 | 350,000 |
| Civilian Personnel (O&M FTEs) | 23,774 | +2,630 | 26,404 |
| (Military Technicians Included Above) | 23,274 | +2,630 | 25,904 |
| Primary Aircraft Authorized (End FY) | 1,418 | -6 | 1,382 |
| Flying Hours (000's) | 234.7 | -46.8 | 187.9 |
| Training Locations | 110 | +4 | 114 |

KEY ACTIVITY INDICATORS

| | FY 2004 <u>Actual</u> | Change | FY 2005 <u>Estimate</u> | Change | FY 2006 <u>Estimate</u> |
|--|---------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| <u>AIR NATIONAL GUARD</u> | | | | | |
| Total Selected Reserve Strength (End Strength) | 106,715 | -15 | 106,700 | +100 | 106,800 |
| Civilian Personnel (O&M FTEs) | 22,862 | +1,339 | 24,201 | +427 | 24,789 |
| (Technicians Included Above) | 21,703 | +1,188 | 22,891 | +427 | 23,318 |
| Total Aircraft Inventory (TAI) | 1,326 | -33 | 1,293 | -74 | 1,286 |
| Primary Authorized Aircraft (PAA) | 1,127 | +14 | 1,141 | -14 | 1,127 |
| Flying Hours (000's) | 279 | -6 | 273 | -12 | 261 |
| Major Installations | 3 | - | 3 | - | 3 |
| Other Operating Locations | 177 | - | 177 | -1 | 176 |
| <u>DEFENSE HEALTH PROGRAM</u> | | | | | |
| Total Aircraft Inventory (TAI)/(PAA) | <u>8</u> | <u>-8</u> | <u>0</u> | <u>=</u> | <u>0</u> |
| Fixed | 2 | -2 | 0 | - | 0 |
| Rotary | 6 | -6 | 0 | - | 0 |
| Total Flying Hours (000's) | <u>2.3</u> | <u>-2.3</u> | <u>=</u> | <u>=</u> | <u>0</u> |
| Fixed | .8 | .8 | 0 | - | 0 |
| Rotary | 1.5 | -1.5 | 0 | - | 0 |
| Training Workloads | | | | | |
| HPSP/FAP/HPLRP | 4,601 | -390 | 4,211 | +454 | 4,665 |
| USUHS | 989 | -6 | 983 | +7 | 990 |
| Other Education & Training | 65,733 | +488 | 66,221 | +11,299 | 77,520 |
| Medical Centers and Hospitals | 70 | - | 70 | - | 70 |
| Average Daily Patient Load | 2,429 | -37 | 2,392 | - | 2,392 |

KEY ACTIVITY INDICATORS

| | FY 2004 <u>Actual</u> | FY 2005 <u>Estimate</u> | FY 2006 <u>Estimate</u> |
|-----------------------------------|---------------------------------|-----------------------------------|-----------------------------------|
| | Change | Change | Change |
| SPECIAL OPERATIONS COMMAND | | | |
| Total Aircraft Inventory (TAI) | <u>265</u> | <u>+14</u> | <u>279</u> |
| AFSOC | 126 | -1 | 125 |
| USASOC | 139 | +15 | 154 |
| Primary Authorized Aircraft (PAA) | <u>245</u> | <u>+15</u> | <u>260</u> |
| AFSOC | 110 | +1 | 111 |
| USASOC | 135 | +14 | 149 |
| Total Flying Hours (000's) | <u>79.5</u> | <u>+8.0</u> | <u>87.5</u> |
| AFSOC | 47.2 | +1.7 | 48.9 |
| USASOC | 32.3 | +6.3 | 38.6 |
| | | <u>-12.5</u> | <u>75.0</u> |
| | | -7.9 | 41.0 |
| | | -4.6 | 34.0 |

LEGISLATIVE PROPOSALS

The FY 2006 budget includes funding and legislation for new authorities to enhance retention and improve quality-of-life for military and civilian members of the Department of Defense. The following table provides a summary of the legislative proposal and the associated cost.

| | <u>(\$ in Millions)</u> <u>FY 2006</u> |
|----------------------------------|---|
| Military Personnel, Army | - |
| Military Personnel, Navy | - |
| Military Personnel, Marine Corps | - |
| Military Personnel, Air Force | - |
| Total | - |

Military Personnel Initiative

Family Supplemental Subsistence Allowance (FSSA) – Makes permanent the authority to provide resources to military members requiring additional family subsistence.

| | |
|----------------------------------|---|
| Military Personnel, Army | - |
| Military Personnel, Navy | - |
| Military Personnel, Marine Corps | - |
| Military Personnel, Air Force | - |
| Total | - |

OVERVIEW BOOK DISTRIBUTION LIST

| AGENCY | ROOM NUMBER | COPIES |
|---|-------------|--------|
| House Appropriations Committee | | 6 |
| Senate Appropriations Committee | | 6 |
| House Armed Services Committee | | 10 |
| Senate Armed Services Committee | | 10 |
| House Budget Committee | | 1 |
| Senate Budget Committee | | 1 |
| Congressional Budget Office | | 3 |
| General Accounting Office | | 3 |
| Office of Management and Budget | | 10 |
| National Security Council | | 1 |
| Library of Congress, Congressional Research Service | | 2 |
| Defense Technical Information Center | | 1 |
| Under Secretary of Defense (Comptroller) | 3E822 | 1 |
| Principal Deputy Under Secretary of Defense (Comptroller) | 3E822 | 1 |
| Deputy Comptroller, Program/Budget | 3E825 | 1 |
| Assistant Deputy Comptroller, Program/Budget | 3E825 | 1 |
| Directorate for Investment | 4B916 | 4 |
| Directorate for Operations and Personnel | 3D868/3D873 | 25 |
| Directorate for Plans and Systems | 3A862 | 2 |
| Directorate for Program and Financial Control | 3B872 | 2 |
| Directorate for Revolving Funds | 3B866 | 4 |
| Deputy Chief Financial Officer | 3E843 | 5 |
| Director for Program Analysis and Evaluation | 3E836 | 3 |
| Office of the Under Secretary of Defense (Policy) | 4E808 | 1 |
| Office of the Assistant Secretary of Defense (Strategy and Threat Reduction) | 4E817 | 1 |
| Office of the Assistant Secretary of Defense (SO/LIC) | 2E258 | 1 |
| Office of the Assistant Secretary of Defense (International Security Affairs) | 4E838 | 1 |
| Office of the Deputy Under Secretary of Defense (Policy Support) | 2E812 | 1 |
| Office of the Under Secretary of Defense (Personnel & Readiness) | 3E764 | 1 |

OVERVIEW BOOK DISTRIBUTION LIST

| AGENCY | ROOM NUMBER | COPIES |
|---|-------------|--------|
| Office of the Deputy Under Secretary of Defense (Readiness) | 3E777 | 2 |
| Office of the Deputy Under Secretary of Defense (Program Integration) | 3E763 | 1 |
| Office of the Assistant Secretary of Defense (Force Management Policy) | 3E784 | 1 |
| Office of the Assistant Secretary of Defense (Health Affairs) | 3E1082 | 1 |
| Office of the Assistant Secretary of Defense (Reserve Affairs) | 2E520 | 1 |
| Office of the Assistant Secretary of Defense (Command, Control, Communications & Intelligence) | 3E172 | 1 |
| Office of the Under Secretary of Defense (Acquisition, Technology & Logistics) | 3E933 | 1 |
| Office of the Deputy Under Secretary of Defense (Acquisition & Technology) | 3E1006 | 1 |
| Office of the Deputy Under Secretary of Defense (Installations) | 3E1034 | 1 |
| Office of the Deputy Under Secretary of Defense (Logistics & Materiel Readiness) | 3E114 | 1 |
| Office of the Deputy Under Secretary of Defense (Industrial Affairs) | 3E1060 | 1 |
| Office of the Deputy Under Secretary of Defense (Environmental Security) | 3E792 | 1 |
| Office of the Deputy Under Secretary of Defense (Advanced Systems & Concepts) | 3E1014 | 1 |
| Office of the Director Small & Disadvantaged Business Utilization | | 1 |
| Office of the Assistant to the Secretary of Defense (Nuclear, Biological & Chemical Defense Programs) | 3E933 | 1 |
| Office of the Assistant Secretary of Defense (Legislative Affairs) | 3E966 | 1 |
| Office of the Assistant Secretary of Defense (Public Affairs) | 2E800 | 2 |
| Office of the General Counsel, DoD | 3E980 | 1 |
| Office of the Assistant to the Secretary of Defense (Civil Support) | 2E520 | 1 |

OVERVIEW BOOK DISTRIBUTION LIST

| AGENCY | ROOM NUMBER | COPIES |
|---|-------------|--------|
| Office of the Assistant to the Secretary of Defense (Intelligence Oversight) – George Lotz II, 4035 Ridgetop Rd Fairfax, VA 22030 | Suite 210 | |
| Office of the Director Net Assessment | 3A930 | 1 |
| Office of the Director Administration & Management | 3D972 | 1 |
| Department of the Army, Office of the Assistant Secretary of the Army (FM&C) | | 5 |
| Department of the Army, Office of the Army Reserve, Comptroller Division | | 2 |
| Department of the Army, National Guard Bureau, Comptroller Division | | 2 |
| Department of the Navy, Office of the Assistant Secretary of the Navy (FM&C) | | 5 |
| Department of the Navy, Directorate of Naval Reserve, Financial Management | | 2 |
| Department of the Navy, Headquarters U. S. Marine Corps, Fiscal Directorate | | 2 |
| Department of the Navy, Headquarters U. S. Marine Corps, Reserve Affairs, Budget | | 2 |
| Department of the Air Force, Office of the Assistant Secretary of the Air Force (FM&C) | | 5 |
| Department of the Air Force, Office of the Air Force Reserve, Comptroller Division | | 2 |
| Department of the Air Force, National Guard Bureau, Comptroller Division | | 2 |
| Office of the Joint Staff, Force Structure, Resource and Assessment Directorate | | 5 |
| American Forces Information Service | | 1 |
| Ballistic Missile Defense Organization | | 1 |
| Defense Acquisition University | | 1 |

OVERVIEW BOOK DISTRIBUTION LIST

| AGENCY | ROOM NUMBER | COPIES |
|--|--------------------|---------------|
| Defense Advanced Research Projects Agency | | 1 |
| Defense Contract Audit Agency | | 1 |
| Defense Contract Management Agency | | 1 |
| Defense Finance and Accounting Service | | 1 |
| Defense Human Resources Activity | | 1 |
| Defense Information Systems Agency | | 1 |
| Defense Intelligence Agency | | 1 |
| Defense Legal Services Agency | | 1 |
| Defense Logistics Agency | | 1 |
| Defense Prisoner of War/Missing Personnel Office | | 1 |
| Defense Threat Reduction Agency | | 1 |
| Defense Security Cooperation Agency | | 1 |
| Defense Security Service | | 1 |
| Department of Defense Education Activity | | 1 |
| National Imagery and Mapping Agency | | 1 |
| National Security Agency | | 1 |
| Office of Economic Adjustment | | 1 |
| Office of the Inspector General, DoD | | 1 |
| Uniformed Services University of Health Sciences | | 1 |
| U.S. Special Operations Command | | 1 |
| Washington Headquarters Services | | 5 |

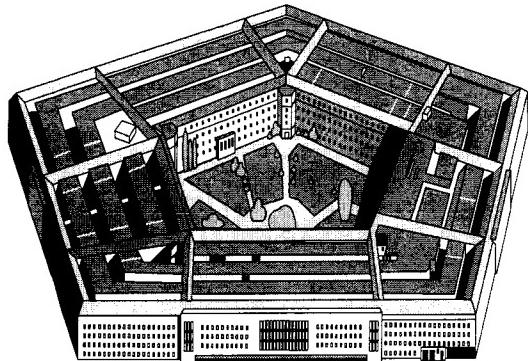
WORLD WIDE WEB ADDRESS

The Operation and Maintenance Overview is available on the

World Wide Web at

<http://www.dod.mil/comptroller/defbudget/fy2006/index.html>

MILITARY PERSONNEL PROGRAMS (M-1)



*Department of Defense Budget
Fiscal Year 2006
Office of the Under Secretary of Defense (Comptroller)*

Table of Contents

Exhibit M-1

| | <u>Page</u> |
|--|-------------|
| Appropriation | |
| Military Personnel, Army | 1 |
| Reserve Personnel, Army | 3 |
| National Guard Personnel, Army | 4 |
| Grand Total Army Military Personnel | 4 |
| | |
| Military Personnel, Navy | 5 |
| Reserve Personnel, Navy | 7 |
| Grand Total Navy Military Personnel | 7 |
| | |
| Military Personnel, Marine Corps | 8 |
| Reserve Personnel, Marine Corps | 10 |
| Grand Total Marine Corps Military Personnel | 10 |
| | |
| Military Personnel, Air Force | 11 |
| Reserve Personnel, Air Force | 13 |
| National Guard Personnel, Air Force | 14 |
| Grand Total Air Force Military Personnel | 14 |
| | |
| Grand Total - Active Forces | 15 |
| Grand Total - Reserve Forces | 17 |
| Grand Total - National Guard Forces | 18 |
| Military Personnel Title | 18 |

UNCLASSIFIED

Exhibit M-1

The M-1 is provided annually to the DoD oversight committees of the Congress coincident with the transmittal of the President's Budget. This document is available to the public on the Internet at <http://www.east.defenselink.mil/comptroller>

The Military Personnel Program is derived from and consistent with the Comptroller Information System.

Office of the Under Secretary of Defense
(Comptroller)

UNCLASSIFIED

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | MILITARY PERSONNEL, ARMY | ----- | ----- | ----- |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 2010A | 5 | BASIC PAY | 5,408,842 | 4,544,419 | 4,616,228 |
| 2010A | 10 | RETired PAY ACCRUAL | 1,440,153 | 1,249,715 | 1,223,300 |
| 2010A | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 371,267 | 426,390 | |
| 2010A | 25 | BASIC ALLOWANCE FOR HOUSING | 1,214,241 | 1,084,250 | 1,271,542 |
| 2010A | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 211,929 | 173,198 | 177,968 |
| 2010A | 35 | INCENTIVE PAYS | 94,932 | 99,608 | 98,295 |
| 2010A | 40 | SPECIAL PAYS | 294,203 | 212,957 | 220,791 |
| 2010A | 45 | ALLOWANCES | 378,138 | 167,295 | 149,084 |
| 2010A | 50 | SEPARATION PAY | 47,746 | 73,755 | 61,999 |
| 2010A | 55 | SOCIAL SECURITY TAX | 405,846 | 349,349 | 350,042 |
| | | TOTAL BUDGET ACTIVITY 01: | 9,867,297 | 8,380,936 | 8,169,249 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 2010A | 60 | BASIC PAY | 13,393,632 | 9,726,163 | 10,035,315 |
| 2010A | 65 | RETired PAY ACCRUAL | 3,599,348 | 2,674,695 | 2,659,358 |
| 2010A | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,909,904 | 2,175,161 | |
| 2010A | 80 | BASIC ALLOWANCE FOR HOUSING | 3,103,143 | 2,914,495 | 2,673,850 |
| 2010A | 85 | INCENTIVE PAYS | 100,227 | 78,692 | 85,802 |
| 2010A | 90 | SPECIAL PAYS | 1,019,475 | 456,724 | 493,176 |
| 2010A | 95 | ALLOWANCES | 1,332,764 | 630,102 | 689,395 |
| 2010A | 100 | SEPARATION PAY | 310,204 | 287,375 | 294,164 |
| 2010A | 105 | SOCIAL SECURITY TAX | 1,018,310 | 728,842 | 759,022 |
| | | TOTAL BUDGET ACTIVITY 02: | 25,787,007 | 19,672,249 | 17,690,082 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | |
| 2010A | 110 | ACADEMY CADETS | 49,760 | 50,969 | 54,331 |
| | | TOTAL BUDGET ACTIVITY 03: | 49,760 | 50,969 | 54,331 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 2010A | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 1,072,921 | 897,810 | 827,257 |
| 2010A | 120 | SUBSISTENCE-IN-KIND | 2,624,355 | 520,687 | 561,600 |
| 2010A | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 1,256 | 1,537 | 3,244 |
| | | TOTAL BUDGET ACTIVITY 04: | 3,698,532 | 1,420,034 | 1,392,101 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | MILITARY PERSONNEL, ARMY | (DOLLARS IN THOUSANDS) | | |
|---|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | | ----- | ----- | ----- |
| ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | | | |
| 2010A | 125 | ACCESSION TRAVEL | 112,194 | 195,971 | 210,533 |
| 2010A | 130 | TRAINING TRAVEL | 76,061 | 53,235 | 54,855 |
| 2010A | 135 | OPERATIONAL TRAVEL | 214,713 | 177,814 | 198,988 |
| 2010A | 140 | ROTATIONAL TRAVEL | 576,602 | 313,045 | 410,789 |
| 2010A | 145 | SEPARATION TRAVEL | 115,401 | 154,083 | 173,045 |
| 2010A | 150 | TRAVEL OF ORGANIZED UNITS | 5,707 | 3,492 | 3,561 |
| 2010A | 155 | NON-TEMPORARY STORAGE | 27,912 | 31,387 | 34,883 |
| 2010A | 160 | TEMPORARY LODGING EXPENSE | 18,427 | 20,456 | 24,354 |
| 2010A | 165 | OTHER | 1,153 | | |
| TOTAL BUDGET ACTIVITY 05: | | | 1,148,170 | 949,483 | 1,111,008 |
| ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | | | |
| 2010A | 170 | APPREHENSION OF MILITARY DESERTERS | 470 | 615 | 1,416 |
| 2010A | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 6,183 | 2,202 | 203 |
| 2010A | 180 | DEATH GRATUITIES | 14,304 | 6,968 | 7,080 |
| 2010A | 185 | UNEMPLOYMENT BENEFITS | 267,161 | 108,595 | 146,549 |
| 2010A | 190 | SURVIVOR BENEFITS | 4,309 | 4,398 | 3,724 |
| 2010A | 195 | EDUCATION BENEFITS | 4,723 | 9,268 | 4,268 |
| 2010A | 200 | ADOPTION EXPENSES | 458 | 448 | 452 |
| 2010A | 210 | TRANSPORTATION SUBSIDY | 4,370 | 4,365 | 4,365 |
| 2010A | 215 | PARTIAL DISLOCATION ALLOWANCE | 798 | 2,500 | 2,500 |
| 2010A | 216 | SGLI EXTRA HAZARD PAYMENTS | 5,642 | | |
| 2010A | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 82,933 |
| 2010A | 218 | JUNIOR ROTC | | | 28,600 |
| TOTAL BUDGET ACTIVITY 06: | | | 308,418 | 139,359 | 282,090 |
| 2010A | 220 | LESS REIMBURSABLES | (496,205) | (287,460) | (298,174) |
| TOTAL DIRECT - MILITARY PERSONNEL, ARMY | | | 40,362,979 | 30,325,570 | 28,400,687 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | RESERVE PERSONNEL, ARMY | (DOLLARS IN THOUSANDS) | | |
|--------|-------|---|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| ----- | ----- | ----- | ----- | ----- | ----- |
| | | RESERVE COMPONENT TRAINING AND SUPPORT* | | | |
| 2070A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 971,575 | 862,752 | 1,021,013 |
| 2070A | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 25,742 | 43,414 | 48,989 |
| 2070A | 30 | PAY GROUP F TRAINING (RECRUITS) | 176,231 | 175,891 | 181,631 |
| 2070A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 4,533 | 7,010 | 842 |
| 2070A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 365,584 | 595,142 | |
| 2070A | 60 | RETIRE HEALTH ACCRUAL | 4,356 | 17,559 | 19,031 |
| 2070A | 70 | SCHOOL TRAINING | 112,795 | 132,965 | 179,008 |
| 2070A | 80 | SPECIAL TRAINING | 174,887 | 166,698 | 159,606 |
| 2070A | 90 | ADMINISTRATION AND SUPPORT | 1,258,276 | 1,366,456 | 1,477,861 |
| 2070A | 100 | EDUCATION BENEFITS | 35,703 | 81,458 | 108,594 |
| 2070A | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 103,450 | 121,549 | |
| 2070A | 120 | HEALTH PROFESSION SCHOLARSHIP | 29,548 | 32,497 | 34,219 |
| 2070A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 64,502 | 77,971 | |
| 2070A | 130 | OTHER PROGRAMS | 31,010 | 24,335 | 18,475 |
| | | TOTAL BUDGET ACTIVITY 01: | 1,543,665 | 1,684,209 | 3,249,269 |
| | | TOTAL BUDGET ACTIVITY 02: | 1,814,527 | 2,021,488 | |
| | | TOTAL DIRECT - RESERVE PERSONNEL, ARMY | 3,358,192 | 3,705,697 | 3,249,269 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | NATIONAL GUARD PERSONNEL, ARMY | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | RESERVE COMPONENT TRAINING AND SUPPORT* | ----- | ----- | ----- |
| 2060A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 1,476,682 | 1,622,471 | 1,602,858 |
| 2060A | 30 | PAY GROUP F TRAINING (RECRUITS) | 255,625 | 291,670 | 315,333 |
| 2060A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 21,883 | 36,893 | 30,767 |
| 2060A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 605,801 | 1,007,258 | |
| 2060A | 70 | SCHOOL TRAINING | 291,180 | 218,603 | 300,499 |
| 2060A | 80 | SPECIAL TRAINING | 485,076 | 255,137 | 211,114 |
| 2060A | 90 | ADMINISTRATION AND SUPPORT | 1,906,729 | 2,234,332 | 2,436,257 |
| 2060A | 100 | EDUCATION BENEFITS | 106,484 | 161,987 | 225,966 |
| 2060A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 99,594 | 138,794 | |
| | | TOTAL BUDGET ACTIVITY 01: | 2,359,991 | 2,958,292 | 5,122,794 |
| | | TOTAL BUDGET ACTIVITY 02: | 2,889,063 | 3,008,853 | |
| | | TOTAL DIRECT - NATIONAL GUARD PERSONNEL, ARMY | 5,249,054 | 5,967,145 | 5,122,794 |
| | | TOTAL DIRECT - ARMY MILITARY PERSONNEL APPROPRIATIONS | 48,970,225 | 39,998,412 | 36,772,750 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1004A | 300 | ARMY | | | 2,704,584 |
| 1005A | 300 | RESERVE PERSONNEL, ARMY | | | 716,969 |
| 1006A | 300 | NATIONAL GUARD PERSONNEL, ARMY | | | 1,219,403 |
| | | GRAND TOTAL DIRECT - ARMY MILITARY PERSONNEL COSTS | 48,970,225 | 39,998,412 | 41,413,706 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | MILITARY PERSONNEL, NAVY | (DOLLARS IN THOUSANDS) | | |
|--|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | | ----- | ----- | ----- |
| ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | | | |
| 1453N | 5 | BASIC PAY | 3,170,035 | 3,161,683 | 3,234,081 |
| 1453N | 10 | RETIRED PAY ACCRUAL | 871,759 | 868,663 | 857,031 |
| 1453N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 251,487 | 288,823 | |
| 1453N | 25 | BASIC ALLOWANCE FOR HOUSING | 897,630 | 915,453 | 963,929 |
| 1453N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 116,991 | 116,629 | 121,720 |
| 1453N | 35 | INCENTIVE PAYS | 165,941 | 205,214 | 219,122 |
| 1453N | 40 | SPECIAL PAYS | 277,239 | 266,900 | 288,224 |
| 1453N | 45 | ALLOWANCES | 114,851 | 81,309 | 93,792 |
| 1453N | 50 | SEPARATION PAY | 36,854 | 21,873 | 98,879 |
| 1453N | 55 | SOCIAL SECURITY TAX | 242,508 | 240,752 | 244,979 |
| TOTAL BUDGET ACTIVITY 01: | | | 6,145,295 | 6,167,299 | 6,121,757 |
| ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | | | |
| 1453N | 60 | BASIC PAY | 7,962,526 | 8,049,275 | 8,068,225 |
| 1453N | 65 | RETIRED PAY ACCRUAL | 2,185,255 | 2,211,418 | 2,138,078 |
| 1453N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,477,402 | 1,688,600 | |
| 1453N | 80 | BASIC ALLOWANCE FOR HOUSING | 2,571,492 | 2,561,364 | 2,628,976 |
| 1453N | 85 | INCENTIVE PAYS | 101,122 | 108,657 | 108,878 |
| 1453N | 90 | SPECIAL PAYS | 848,548 | 816,041 | 938,343 |
| 1453N | 95 | ALLOWANCES | 594,543 | 461,181 | 507,735 |
| 1453N | 100 | SEPARATION PAY | 184,704 | 162,725 | 285,891 |
| 1453N | 105 | SOCIAL SECURITY TAX | 607,898 | 610,818 | 612,220 |
| TOTAL BUDGET ACTIVITY 02: | | | 16,533,490 | 16,670,079 | 15,288,346 |
| ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | | | |
| 1453N | 110 | MIDSHIPMEN | 54,471 | 52,289 | 56,108 |
| TOTAL BUDGET ACTIVITY 03: | | | 54,471 | 52,289 | 56,108 |
| ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | | | |
| 1453N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 631,555 | 615,226 | 663,385 |
| 1453N | 120 | SUBSISTENCE-IN-KIND | 331,714 | 395,504 | 366,523 |
| 1453N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 120 | 500 | 500 |
| TOTAL BUDGET ACTIVITY 04: | | | 963,389 | 1,011,230 | 1,030,408 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | MILITARY PERSONNEL, NAVY | (DOLLARS IN THOUSANDS) | | |
|---|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | | ----- | ----- | ----- |
| ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | | | |
| 1453N | 125 | ACCESSION TRAVEL | 56,580 | 53,895 | 67,016 |
| 1453N | 130 | TRAINING TRAVEL | 65,146 | 70,396 | 72,913 |
| 1453N | 135 | OPERATIONAL TRAVEL | 198,158 | 192,055 | 186,317 |
| 1453N | 140 | ROTATIONAL TRAVEL | 305,420 | 299,389 | 281,104 |
| 1453N | 145 | SEPARATION TRAVEL | 100,366 | 96,996 | 104,252 |
| 1453N | 150 | TRAVEL OF ORGANIZED UNITS | 23,104 | 29,934 | 19,160 |
| 1453N | 155 | NON-TEMPORARY STORAGE | 6,621 | 11,570 | 6,350 |
| 1453N | 160 | TEMPORARY LODGING EXPENSE | 7,981 | 13,004 | 7,699 |
| 1453N | 165 | OTHER | 5,058 | 7,622 | 7,686 |
| TOTAL BUDGET ACTIVITY 05: | | | 768,434 | 774,861 | 752,497 |
| ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | | | |
| 1453N | 170 | APPREHENSION OF MILITARY DESERTERS | 729 | 768 | 825 |
| 1453N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 430 | 209 | 209 |
| 1453N | 180 | DEATH GRATUITIES | 7,564 | 3,069 | 3,236 |
| 1453N | 185 | UNEMPLOYMENT BENEFITS | 97,040 | 59,943 | 66,358 |
| 1453N | 190 | SURVIVOR BENEFITS | 1,543 | 399 | 1,139 |
| 1453N | 195 | EDUCATION BENEFITS | 1,499 | 1,070 | 1,799 |
| 1453N | 200 | ADOPTION EXPENSES | 308 | 446 | 446 |
| 1453N | 210 | TRANSPORTATION SUBSIDY | 4,536 | 3,951 | 3,951 |
| 1453N | 215 | PARTIAL DISLOCATION ALLOWANCE | 1,840 | 2,200 | 2,461 |
| 1453N | 216 | SGLI EXTRA HAZARD PAYMENTS | 2,560 | | |
| 1453N | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 20,704 |
| 1453N | 218 | JUNIOR R.O.T.C. | | | 13,094 |
| TOTAL BUDGET ACTIVITY 06: | | | 118,049 | 72,055 | 114,222 |
| 1453N | 220 | LESS REIMBURSABLES | (366,902) | (344,006) | (331,237) |
| TOTAL DIRECT - MILITARY PERSONNEL, NAVY | | | 24,216,226 | 24,403,807 | 23,032,101 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | DESCRIPTION | (DOLLARS IN THOUSANDS) | | |
|--|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | RESERVE PERSONNEL, NAVY | ----- | ----- | ----- |
| RESERVE COMPONENT TRAINING AND SUPPORT* | | | | | |
| 1405N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 689,729 | 659,962 | 611,919 |
| 1405N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY) | 5,105 | 4,796 | 4,806 |
| 1405N | 30 | PAY GROUP F TRAINING (RECRUITS) | 1,819 | 2,836 | 2,964 |
| 1405N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 131,229 | 205,761 | |
| 1405N | 60 | MOBILIZATION TRAINING | 6,221 | 6,789 | 6,971 |
| 1405N | 70 | SCHOOL TRAINING | 24,853 | 21,079 | 34,451 |
| 1405N | 80 | SPECIAL TRAINING | 86,935 | 64,755 | 71,023 |
| 1405N | 90 | ADMINISTRATION AND SUPPORT | 926,994 | 971,031 | 981,196 |
| 1405N | 100 | EDUCATION BENEFITS | 643 | 16,935 | 25,177 |
| 1405N | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 36,968 | 37,712 | |
| 1405N | 120 | HEALTH PROFESSION SCHOLARSHIP | 27,267 | 31,905 | 35,892 |
| 1405N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 65,191 | 77,033 | |
| TOTAL BUDGET ACTIVITY 01: | | | | 827,882 | 873,355 |
| TOTAL BUDGET ACTIVITY 02: | | | | 1,175,072 | 1,227,239 |
| TOTAL DIRECT - RESERVE PERSONNEL, NAVY | | | | 2,002,954 | 2,100,594 |
| TOTAL DIRECT - NAVY MILITARY PERSONNEL APPROPRIATIONS | | | | 26,219,180 | 26,504,401 |
| MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | | | |
| 1000N | 300 | NAVY | | | 2,006,415 |
| 1002N | 300 | RESERVE PERSONNEL, NAVY | | | 291,754 |
| GRAND TOTAL DIRECT - NAVY MILITARY PERSONNEL COSTS | | | | 26,219,180 | 26,504,401 |
| | | | | | 27,104,669 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | MILITARY PERSONNEL, MARINE CORPS | (DOLLARS IN THOUSANDS) | | |
|---|-----|---|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | | ----- | ----- | ----- |
| ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | | | |
| 1105N | 5 | BASIC PAY | 1,130,659 | 1,078,508 | 1,103,052 |
| 1105N | 10 | RETired PAY ACCRUAL | 306,385 | 296,780 | 293,152 |
| 1105N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 86,420 | 100,083 | |
| 1105N | 25 | BASIC ALLOWANCE FOR HOUSING | 291,741 | 265,842 | 305,952 |
| 1105N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 42,546 | 40,895 | 42,877 |
| 1105N | 35 | INCENTIVE PAYS | 39,269 | 47,368 | 48,147 |
| 1105N | 40 | SPECIAL PAYS | 23,330 | 4,170 | 4,508 |
| 1105N | 45 | ALLOWANCES | 37,510 | 24,723 | 23,318 |
| 1105N | 50 | SEPARATION PAY | 13,339 | 9,270 | 14,646 |
| 1105N | 55 | SOCIAL SECURITY TAX | 87,080 | 82,456 | 83,587 |
| TOTAL BUDGET ACTIVITY 01: | | | 2,058,279 | 1,950,095 | 1,919,239 |
| ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | | | |
| 1105N | 60 | BASIC PAY | 3,614,877 | 3,692,797 | 3,647,008 |
| 1105N | 65 | RETired PAY ACCRUAL | 978,145 | 1,034,344 | 962,920 |
| 1105N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 721,138 | 835,058 | |
| 1105N | 80 | BASIC ALLOWANCE FOR HOUSING | 823,931 | 787,328 | 873,119 |
| 1105N | 85 | INCENTIVE PAYS | 8,871 | 8,360 | 8,360 |
| 1105N | 90 | SPECIAL PAYS | 186,818 | 117,369 | 123,583 |
| 1105N | 95 | ALLOWANCES | 247,398 | 203,364 | 208,149 |
| 1105N | 100 | SEPARATION PAY | 66,167 | 67,598 | 73,647 |
| 1105N | 105 | SOCIAL SECURITY TAX | 276,078 | 287,987 | 278,431 |
| TOTAL BUDGET ACTIVITY 02: | | | 6,923,423 | 7,034,205 | 6,175,217 |
| ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | | | |
| 1105N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 281,561 | 281,739 | 308,554 |
| 1105N | 120 | SUBSISTENCE-IN-KIND | 284,803 | 222,529 | 247,944 |
| 1105N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 857 | 750 | 750 |
| TOTAL BUDGET ACTIVITY 04: | | | 567,221 | 505,018 | 557,248 |
| ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | | | |
| 1105N | 125 | ACCESSION TRAVEL | 37,350 | 40,498 | 44,475 |
| 1105N | 130 | TRAINING TRAVEL | 8,976 | 9,470 | 9,834 |
| 1105N | 135 | OPERATIONAL TRAVEL | 88,611 | 87,939 | 89,565 |
| 1105N | 140 | ROTATIONAL TRAVEL | 117,629 | 123,577 | 126,094 |
| 1105N | 145 | SEPARATION TRAVEL | 43,571 | 44,887 | 49,739 |
| 1105N | 150 | TRAVEL OF ORGANIZED UNITS | 1,487 | 1,575 | 1,722 |
| 1105N | 155 | NON-TEMPORARY STORAGE | 5,045 | 5,138 | 5,241 |
| 1105N | 160 | TEMPORARY LODGING EXPENSE | 11,879 | 12,346 | 12,593 |
| 1105N | 165 | OTHER | 2,388 | 2,428 | 2,438 |
| TOTAL BUDGET ACTIVITY 05: | | | 316,936 | 327,858 | 341,701 |

UNCLASSIFIED

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | MILITARY PERSONNEL, MARINE CORPS | (DOLLARS IN THOUSANDS) | | |
|--------|-------|---|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| ----- | ----- | ----- | ----- | ----- | ----- |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 1105N | 170 | APPREHENSION OF MILITARY DESERTERS | 1,000 | 1,611 | 1,638 |
| 1105N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 86 | 16 | 16 |
| 1105N | 180 | DEATH GRATUITIES | 6,449 | 2,004 | 2,100 |
| 1105N | 185 | UNEMPLOYMENT BENEFITS | 90,935 | 44,213 | 51,970 |
| 1105N | 190 | SURVIVOR BENEFITS | 888 | 1,489 | 721 |
| 1105N | 195 | EDUCATION BENEFITS | 2,866 | 1,022 | 1,039 |
| 1105N | 200 | ADOPTION EXPENSES | 54 | 155 | 259 |
| 1105N | 210 | TRANSPORTATION SUBSIDY | 985 | 1,050 | 1,155 |
| 1105N | 215 | PARTIAL DISLOCATION ALLOWANCE | 877 | 657 | 668 |
| 1105N | 216 | SGLI EXTRA HAZARD PAYMENTS | 1,223 | | |
| 1105N | 218 | JUNIOR R.O.T.C | | | 5,302 |
| | | TOTAL BUDGET ACTIVITY 06: | 105,363 | 52,217 | 64,868 |
| 1105N | 220 | LESS REIMBURSABLES | (15,683) | (30,914) | (33,289) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, MARINE CORPS | 9,955,539 | 9,838,479 | 9,024,984 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | DESCRIPTION | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | RESERVE PERSONNEL, MARINE CORPS | ----- | ----- | ----- |
| | | RESERVE COMPONENT TRAINING AND SUPPORT* | | | |
| 1108N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 149,901 | 145,796 | 144,822 |
| 1108N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 15,584 | 22,052 | 23,758 |
| 1108N | 30 | PAY GROUP F TRAINING (RECRUITS) | 79,807 | 83,958 | 88,140 |
| 1108N | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 31 | 61 | 64 |
| 1108N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 70,887 | 116,658 | |
| 1108N | 60 | MOBILIZATION TRAINING | 1,082 | 2,533 | 2,622 |
| 1108N | 70 | SCHOOL TRAINING | 13,061 | 11,640 | 12,053 |
| 1108N | 80 | SPECIAL TRAINING | 34,897 | 34,181 | 43,962 |
| 1108N | 90 | ADMINISTRATION AND SUPPORT | 150,830 | 156,928 | 161,851 |
| 1108N | 95 | PLATOON LEADER CLASS | 12,012 | 12,517 | 12,707 |
| 1108N | 100 | EDUCATION BENEFITS | 15,953 | 33,119 | 31,222 |
| 1108N | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 4,991 | 5,213 | |
| 1108N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 10,425 | 12,289 | |
| | | TOTAL BUDGET ACTIVITY 01: | 316,210 | 368,525 | 521,201 |
| | | TOTAL BUDGET ACTIVITY 02: | 243,251 | 268,420 | |
| | | TOTAL DIRECT - RESERVE PERSONNEL, MARINE CORPS | 559,461 | 636,945 | 521,201 |
| | | TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL APPROPRIATIONS | 10,515,000 | 10,475,424 | 9,546,185 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1001N | 300 | MARINE CORPS | | | 981,905 |
| 1003N | 300 | RESERVE PERSONNEL, MARINE CORPS | | | 136,589 |
| | | GRAND TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL COSTS | 10,515,000 | 10,475,424 | 10,664,679 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | MILITARY PERSONNEL, AIR FORCE | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | | ----- | ----- | ----- |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 3500F | 5 | BASIC PAY | 4,490,047 | 4,047,521 | 4,491,448 |
| 3500F | 6 | ARMY SECURITY | 18,800 | | |
| 3500F | 10 | RETIRED PAY ACCRUAL | 1,216,804 | 1,113,068 | 1,184,999 |
| 3500F | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 336,326 | 393,696 | |
| 3500F | 25 | BASIC ALLOWANCE FOR HOUSING | 1,009,615 | 1,105,567 | 1,160,175 |
| 3500F | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 159,366 | 160,672 | 168,228 |
| 3500F | 35 | INCENTIVE PAYS | 374,529 | 336,314 | 325,495 |
| 3500F | 40 | SPECIAL PAYS | 244,714 | 247,138 | 255,805 |
| 3500F | 45 | ALLOWANCES | 133,691 | 129,953 | 133,442 |
| 3500F | 50 | SEPARATION PAY | 71,199 | 71,983 | 61,488 |
| 3500F | 55 | SOCIAL SECURITY TAX | 341,574 | 308,874 | 340,588 |
| | | TOTAL BUDGET ACTIVITY 01: | 8,396,665 | 7,914,786 | 8,121,668 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 3500F | 60 | BASIC PAY | 8,207,288 | 7,481,625 | 7,800,171 |
| 3500F | 61 | ARMY SECURITY | 255,612 | | |
| 3500F | 65 | RETIRED PAY ACCRUAL | 2,232,198 | 2,057,447 | 2,046,105 |
| 3500F | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,392,529 | 1,561,407 | |
| 3500F | 80 | BASIC ALLOWANCE FOR HOUSING | 2,119,413 | 1,944,970 | 2,079,938 |
| 3500F | 85 | INCENTIVE PAYS | 48,392 | 35,141 | 34,496 |
| 3500F | 90 | SPECIAL PAYS | 444,729 | 304,581 | 277,381 |
| 3500F | 95 | ALLOWANCES | 612,987 | 604,159 | 636,193 |
| 3500F | 100 | SEPARATION PAY | 152,187 | 156,332 | 145,474 |
| 3500F | 105 | SOCIAL SECURITY TAX | 630,122 | 572,344 | 596,713 |
| | | TOTAL BUDGET ACTIVITY 02: | 16,095,457 | 14,718,006 | 13,616,471 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | |
| 3500F | 110 | ACADEMY CADETS | 50,362 | 52,543 | 55,056 |
| | | TOTAL BUDGET ACTIVITY 03: | 50,362 | 52,543 | 55,056 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 3500F | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 845,487 | 777,403 | 785,720 |
| 3500F | 120 | SUBSISTENCE-IN-KIND | 231,595 | 132,717 | 135,216 |
| 3500F | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 1,254 | 1,254 | 1,254 |
| | | TOTAL BUDGET ACTIVITY 04: | 1,078,336 | 911,374 | 922,190 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | MILITARY PERSONNEL, AIR FORCE | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | MILITARY PERSONNEL, AIR FORCE | ----- | ----- | ----- |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 3500F | 125 | ACCESSION TRAVEL | 87,387 | 58,970 | 78,682 |
| 3500F | 130 | TRAINING TRAVEL | 83,376 | 85,299 | 95,149 |
| 3500F | 135 | OPERATIONAL TRAVEL | 167,827 | 176,513 | 149,826 |
| 3500F | 140 | ROTATIONAL TRAVEL | 473,407 | 495,962 | 492,620 |
| 3500F | 145 | SEPARATION TRAVEL | 104,077 | 101,210 | 146,340 |
| 3500F | 150 | TRAVEL OF ORGANIZED UNITS | 7,913 | 7,817 | 7,406 |
| 3500F | 155 | NON-TEMPORARY STORAGE | 25,702 | 25,412 | 27,188 |
| 3500F | 160 | TEMPORARY LODGING EXPENSE | 37,228 | 38,329 | 34,844 |
| | | TOTAL BUDGET ACTIVITY 05: | 986,917 | 989,512 | 1,032,055 |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 3500F | 170 | APPREHENSION OF MILITARY DESERTERS | 100 | 100 | 100 |
| 3500F | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 666 | 595 | 671 |
| 3500F | 180 | DEATH GRATUITIES | 2,880 | 2,980 | 2,969 |
| 3500F | 185 | UNEMPLOYMENT BENEFITS | 55,433 | 37,682 | 49,711 |
| 3500F | 190 | SURVIVOR BENEFITS | 3,097 | 1,591 | 1,546 |
| 3500F | 195 | EDUCATION BENEFITS | 3,261 | 3,317 | 3,317 |
| 3500F | 200 | ADOPTION EXPENSES | 381 | 582 | 582 |
| 3500F | 210 | TRANSPORTATION SUBSIDY | 4,200 | 3,794 | 3,815 |
| 3500F | 215 | PARTIAL DISLOCATION ALLOWANCE | 4,550 | 4,781 | 4,781 |
| 3500F | 216 | EXTRA HAZARD REIMBURSE FOR SGLI | 2,950 | | |
| 3500F | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 38,728 |
| 3500F | 218 | JUNIOR ROTC | | | 21,630 |
| | | TOTAL BUDGET ACTIVITY 06: | 77,518 | 55,422 | 127,850 |
| 3500F | 220 | LESS REIMBURSABLES | (382,451) | (381,532) | (380,340) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, AIR FORCE | 26,302,804 | 24,260,111 | 23,494,950 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | RESERVE PERSONNEL, AIR FORCE | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | | ----- | ----- | ----- |
| | | RESERVE COMPONENT TRAINING AND SUPPORT* | | | |
| 3700F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 486,051 | 542,348 | 596,669 |
| 3700F | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 102,648 | 104,723 | 112,039 |
| 3700F | 30 | PAY GROUP F TRAINING (RECRUITS) | 40,991 | 37,056 | 47,771 |
| 3700F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 108 | 95 | 97 |
| 3700F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 136,841 | 230,827 | |
| 3700F | 60 | MOBILIZATION TRAINING | | 1,800 | 1,800 |
| 3700F | 70 | SCHOOL TRAINING | 99,245 | 102,117 | 107,605 |
| 3700F | 80 | SPECIAL TRAINING | 112,658 | 114,297 | 124,534 |
| 3700F | 90 | ADMINISTRATION AND SUPPORT | 146,326 | 175,747 | 213,247 |
| 3700F | 100 | EDUCATION BENEFITS | 10,803 | 28,585 | 56,438 |
| 3700F | 110 | ROTC - SENIOR, JUNIOR | 67,365 | 72,563 | |
| 3700F | 120 | HEALTH PROFESSION SCHOLARSHIP | 26,840 | 29,269 | 28,963 |
| 3700F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 7,286 | 9,629 | |
| 3700F | 130 | OTHER PROGRAMS (ADMIN & SUPPORT) | 16,307 | 20,679 | 25,683 |
| | | TOTAL BUDGET ACTIVITY 01: | 766,639 | 915,049 | 1,314,846 |
| | | TOTAL BUDGET ACTIVITY 02: | 486,830 | 554,686 | |
| | | TOTAL DIRECT - RESERVE PERSONNEL, AIR FORCE | 1,253,469 | 1,469,735 | 1,314,846 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | NATIONAL GUARD PERSONNEL, AIR FORCE | ----- | ----- | ----- |
| | | RESERVE COMPONENT TRAINING AND SUPPORT* | | | |
| 3850F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 763,728 | 830,273 | 877,728 |
| 3850F | 30 | PAY GROUP F TRAINING (RECRUITS) | 72,018 | 64,534 | 65,630 |
| 3850F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 2,325 | 1,214 | 457 |
| 3850F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 177,939 | 296,860 | |
| 3850F | 70 | SCHOOL TRAINING | 149,778 | 144,465 | 155,452 |
| 3850F | 80 | SPECIAL TRAINING | 177,840 | 177,621 | 90,829 |
| 3850F | 90 | ADMINISTRATION AND SUPPORT | 854,790 | 929,493 | 1,035,885 |
| 3850F | 100 | EDUCATION BENEFITS | 37,282 | 57,187 | 74,051 |
| 3850F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 52,752 | 63,853 | |
| | | TOTAL BUDGET ACTIVITY 01: | 1,016,010 | 1,192,881 | 2,300,032 |
| | | TOTAL BUDGET ACTIVITY 02: | 1,272,442 | 1,372,619 | |
| | | TOTAL DIRECT - NATIONAL GUARD PERSONNEL, AIR FORCE | 2,288,452 | 2,565,500 | 2,300,032 |
| | | TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL APPROPRIATIONS | 29,844,725 | 28,295,346 | 27,109,828 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1007F | 300 | AIR FORCE | | | 2,009,662 |
| 1008F | 300 | RESERVE PERSONNEL, AIR FORCE | | | 254,333 |
| 1009F | 300 | NATIONAL GUARD PERSONNEL, AIR FORCE | | | 385,869 |
| | | GRAND TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL COSTS | 29,844,725 | 28,295,346 | 29,759,692 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| ID | MILITARY PERSONNEL, GRAND TOTAL | (DOLLARS IN THOUSANDS) | | |
|-----|--|------------------------|------------|------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| | | ----- | ----- | ----- |
| | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 5 | BASIC PAY | 14,199,583 | 12,832,131 | 13,444,809 |
| 6 | ARMY SECURITY | 18,800 | | |
| 10 | RETIRED PAY ACCRUAL | 3,835,101 | 3,528,226 | 3,558,482 |
| 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,045,500 | 1,208,992 | |
| 25 | BASIC ALLOWANCE FOR HOUSING | 3,413,227 | 3,371,112 | 3,701,598 |
| 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 530,832 | 491,394 | 510,793 |
| 35 | INCENTIVE PAYS | 674,671 | 688,504 | 691,059 |
| 40 | SPECIAL PAYS | 839,486 | 731,165 | 769,328 |
| 45 | ALLOWANCES | 664,190 | 403,280 | 399,636 |
| 50 | SEPARATION PAY | 169,138 | 176,881 | 237,012 |
| 55 | SOCIAL SECURITY TAX | 1,077,008 | 981,431 | 1,019,196 |
| | TOTAL BUDGET ACTIVITY 01: | 26,467,536 | 24,413,116 | 24,331,913 |
| | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 60 | BASIC PAY | 33,178,323 | 28,949,860 | 29,550,719 |
| 61 | ARMY SECURITY | 255,612 | | |
| 65 | RETIRED PAY ACCRUAL | 8,994,946 | 7,977,904 | 7,806,461 |
| 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 5,500,973 | 6,260,226 | |
| 80 | BASIC ALLOWANCE FOR HOUSING | 8,617,979 | 8,208,157 | 8,255,883 |
| 85 | INCENTIVE PAYS | 258,612 | 230,850 | 237,536 |
| 90 | SPECIAL PAYS | 2,499,570 | 1,694,715 | 1,832,483 |
| 95 | ALLOWANCES | 2,787,692 | 1,898,806 | 2,041,472 |
| 100 | SEPARATION PAY | 713,262 | 674,030 | 799,176 |
| 105 | SOCIAL SECURITY TAX | 2,532,408 | 2,199,991 | 2,246,386 |
| | TOTAL BUDGET ACTIVITY 02: | 65,339,377 | 58,094,539 | 52,770,116 |
| | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | |
| 110 | MIDSHIPMEN | 154,593 | 155,801 | 165,495 |
| | TOTAL BUDGET ACTIVITY 03: | 154,593 | 155,801 | 165,495 |
| | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 2,831,524 | 2,572,178 | 2,584,916 |
| 120 | SUBSISTENCE-IN-KIND | 3,472,467 | 1,271,437 | 1,311,283 |
| 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 3,487 | 4,041 | 5,748 |
| | TOTAL BUDGET ACTIVITY 04: | 6,307,478 | 3,847,656 | 3,901,947 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|--|------------------------|-------------|-------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| | MILITARY PERSONNEL, GRAND TOTAL | ----- | ----- | ----- |
| | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 125 | ACCESSION TRAVEL | 293,511 | 349,334 | 400,706 |
| 130 | TRAINING TRAVEL | 233,559 | 218,400 | 232,751 |
| 135 | OPERATIONAL TRAVEL | 669,309 | 634,321 | 624,696 |
| 140 | ROTATIONAL TRAVEL | 1,473,058 | 1,231,973 | 1,310,607 |
| 145 | SEPARATION TRAVEL | 363,415 | 397,176 | 473,376 |
| 150 | TRAVEL OF ORGANIZED UNITS | 38,211 | 42,818 | 31,849 |
| 155 | NON-TEMPORARY STORAGE | 65,280 | 73,507 | 73,662 |
| 160 | TEMPORARY LODGING EXPENSE | 75,515 | 84,135 | 79,490 |
| 165 | OTHER | 8,599 | 10,050 | 10,124 |
| | TOTAL BUDGET ACTIVITY 05: | 3,220,457 | 3,041,714 | 3,237,261 |
| | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 170 | APPREHENSION OF MILITARY DESERTERS | 2,299 | 3,094 | 3,979 |
| 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 7,365 | 3,022 | 1,099 |
| 180 | DEATH GRATUITIES | 31,197 | 15,021 | 15,385 |
| 185 | UNEMPLOYMENT BENEFITS | 510,569 | 250,433 | 314,588 |
| 190 | SURVIVOR BENEFITS | 9,837 | 7,877 | 7,130 |
| 195 | EDUCATION BENEFITS | 12,349 | 14,677 | 10,423 |
| 200 | ADOPTION EXPENSES | 1,201 | 1,631 | 1,739 |
| 210 | TRANSPORTATION SUBSIDY | 14,091 | 13,160 | 13,286 |
| 215 | PARTIAL DISLOCATION ALLOWANCE | 8,065 | 10,138 | 10,410 |
| 216 | SGLI EXTRA HAZARD PAYMENTS | 12,375 | | |
| 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 142,365 |
| 218 | JUNIOR R.O.T.C. | | | 68,626 |
| | TOTAL BUDGET ACTIVITY 06: | 609,348 | 319,053 | 589,030 |
| 220 | LESS REIMBURSABLES | (1,261,241) | (1,043,912) | (1,043,040) |
| | TOTAL DIRECT - ACTIVE | 100,837,548 | 88,827,967 | 83,952,722 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | | 7,702,566 |
| | GRAND TOTAL DIRECT - ACTIVE PERSONNEL COSTS | 100,837,548 | 88,827,967 | 91,655,288 |

UNCLASSIFIED

Exhibit M-1
FY 2006/2007 Presidential Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|-----------|-----------|
| | | FY 2004 | FY 2005 | FY 2006 |
| | RESERVE PERSONNEL, GRAND TOTAL | ----- | ----- | ----- |
| | RESERVE COMPONENT TRAINING AND SUPPORT* | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,297,256 | 2,210,858 | 2,374,423 |
| 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 149,079 | 174,985 | 189,592 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 298,848 | 299,741 | 320,506 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 4,672 | 7,166 | 1,003 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 704,541 | 1,148,388 | |
| 60 | MOBILIZATION TRAINING | 11,659 | 28,681 | 30,424 |
| 70 | SCHOOL TRAINING | 249,954 | 267,801 | 333,117 |
| 80 | SPECIAL TRAINING | 409,377 | 379,931 | 399,125 |
| 90 | ADMINISTRATION AND SUPPORT | 2,482,426 | 2,670,162 | 2,834,155 |
| 95 | PLATOON LEADER CLASS | 12,012 | 12,517 | 12,707 |
| 100 | EDUCATION BENEFITS | 63,102 | 160,097 | 221,431 |
| 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 212,774 | 237,037 | |
| 120 | HEALTH PROFESSION SCHOLARSHIP | 83,655 | 93,671 | 99,074 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 147,404 | 176,922 | |
| 130 | OTHER PROGRAMS | 47,317 | 45,014 | 44,158 |
| | TOTAL BUDGET ACTIVITY 01: | 3,454,396 | 3,841,138 | 6,859,715 |
| | TOTAL BUDGET ACTIVITY 02: | 3,719,680 | 4,071,833 | |
| | TOTAL DIRECT - RESERVE | 7,174,076 | 7,912,971 | 6,859,715 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | | 1,399,645 |
| | GRAND TOTAL DIRECT - RESERVE PERSONNEL COSTS | 7,174,076 | 7,912,971 | 8,259,360 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

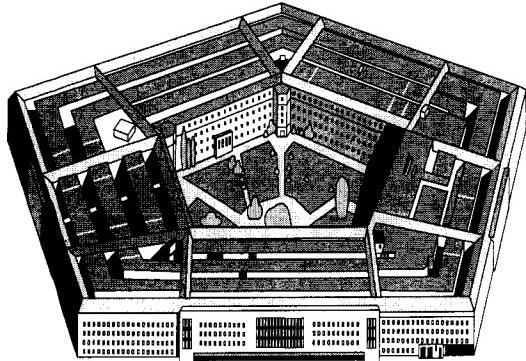
Exhibit M-1
FY 2006/2007 Presidential Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|---|------------------------|-------------|-------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| | NATIONAL GUARD PERSONNEL, GRAND TOTAL | ----- | ----- | ----- |
| | RESERVE COMPONENT TRAINING AND SUPPORT* | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,240,410 | 2,452,744 | 2,480,586 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 327,643 | 356,204 | 380,963 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 24,208 | 38,107 | 31,224 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 783,740 | 1,304,118 | |
| 70 | SCHOOL TRAINING | 440,958 | 363,068 | 455,951 |
| 80 | SPECIAL TRAINING | 662,916 | 432,758 | 301,943 |
| 90 | ADMINISTRATION AND SUPPORT | 2,761,519 | 3,163,825 | 3,472,142 |
| 100 | EDUCATION BENEFITS | 143,766 | 219,174 | 300,017 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 152,346 | 202,647 | |
| | TOTAL BUDGET ACTIVITY 01: | 3,376,001 | 4,151,173 | 8,822,471 |
| | TOTAL BUDGET ACTIVITY 02: | 4,161,505 | 4,381,472 | |
| | TOTAL DIRECT - NATIONAL GUARD | 7,537,506 | 8,532,645 | 7,422,826 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | | 1,605,272 |
| | GRAND TOTAL DIRECT - NATIONAL GUARD PERSONNEL COSTS | 7,537,506 | 8,532,645 | 9,028,098 |
| | GRAND TOTAL DIRECT - MILITARY PERSONNEL COSTS | 115,549,130 | 105,273,583 | 108,942,746 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

MILITARY PERSONNEL PROGRAMS (M-1A)

Excludes Title IX Additional War-Related Appropriations P.L. 108-287



*Department of Defense Budget
Fiscal Year 2006
Office of the Under Secretary of Defense (Comptroller)*

Table of Contents

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)

| <u>Appropriation</u> | <u>Page</u> |
|--|-------------|
| Military Personnel, Army | 1 |
| Reserve Personnel, Army | 3 |
| National Guard Personnel, Army | 4 |
| Grand Total Army Military Personnel | 4 |
| | |
| Military Personnel, Navy | 5 |
| Reserve Personnel, Navy | 7 |
| Grand Total Navy Military Personnel | 7 |
| | |
| Military Personnel, Marine Corps | 8 |
| Reserve Personnel, Marine Corps | 10 |
| Grand Total Marine Corps Military Personnel | 10 |
| | |
| Military Personnel, Air Force | 11 |
| Reserve Personnel, Air Force | 13 |
| National Guard Personnel, Air Force | 14 |
| Grand Total Air Force Military Personnel | 14 |
| | |
| Grand Total - Active Forces | 15 |
| Grand Total - Reserve Forces | 17 |
| Grand Total - National Guard Forces | 18 |
| Military Personnel Title | 18 |

UNCLASSIFIED

Exhibit M-1A

The M-1A Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287).

This document is available to the public on the Internet at <http://www.east.defenselink.mil/comptroller>

Office of the Under Secretary of Defense
(Comptroller)

UNCLASSIFIED

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | | | |
|--|-----|---|------------------------|------------|------------|--|--|
| | | | FY 2004 | FY 2005 | FY 2006 | | |
| MILITARY PERSONNEL, ARMY | | | | | | | |
| ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | | | | | |
| 2010A | 5 | BASIC PAY | 5,408,842 | 4,451,072 | 4,616,228 | | |
| 2010A | 10 | RETIRERD PAY ACCRUAL | 1,440,153 | 1,224,044 | 1,223,300 | | |
| 2010A | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 371,267 | 426,390 | | | |
| 2010A | 25 | BASIC ALLOWANCE FOR HOUSING | 1,214,241 | 1,084,250 | 1,271,542 | | |
| 2010A | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 211,929 | 173,198 | 177,968 | | |
| 2010A | 35 | INCENTIVE PAYS | 94,932 | 99,608 | 98,295 | | |
| 2010A | 40 | SPECIAL PAYS | 294,203 | 212,957 | 220,791 | | |
| 2010A | 45 | ALLOWANCES | 378,138 | 161,765 | 149,084 | | |
| 2010A | 50 | SEPARATION PAY | 47,746 | 73,122 | 61,999 | | |
| 2010A | 55 | SOCIAL SECURITY TAX | 405,846 | 342,208 | 350,042 | | |
| TOTAL BUDGET ACTIVITY 01: | | | | 9,867,297 | 8,248,614 | | |
| ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | | | | | |
| 2010A | 60 | BASIC PAY | 13,393,632 | 9,265,829 | 10,035,315 | | |
| 2010A | 65 | RETIRERD PAY ACCRUAL | 3,599,348 | 2,548,103 | 2,659,358 | | |
| 2010A | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,909,904 | 2,175,161 | | | |
| 2010A | 80 | BASIC ALLOWANCE FOR HOUSING | 3,103,143 | 2,914,495 | 2,673,850 | | |
| 2010A | 85 | INCENTIVE PAYS | 100,227 | 78,692 | 85,802 | | |
| 2010A | 90 | SPECIAL PAYS | 1,019,475 | 452,457 | 493,176 | | |
| 2010A | 95 | ALLOWANCES | 1,332,764 | 602,832 | 689,395 | | |
| 2010A | 100 | SEPARATION PAY | 310,204 | 287,375 | 294,164 | | |
| 2010A | 105 | SOCIAL SECURITY TAX | 1,018,310 | 693,627 | 759,022 | | |
| TOTAL BUDGET ACTIVITY 02: | | | | 25,787,007 | 19,018,571 | | |
| ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | | | | | |
| 2010A | 110 | ACADEMY CADETS | 49,760 | 50,969 | 54,331 | | |
| TOTAL BUDGET ACTIVITY 03: | | | | 49,760 | 50,969 | | |
| ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | | | | | |
| 2010A | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 1,072,921 | 805,410 | 827,257 | | |
| 2010A | 120 | SUBSISTENCE-IN-KIND | 2,624,355 | 520,687 | 561,600 | | |
| 2010A | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 1,256 | 1,537 | 3,244 | | |
| TOTAL BUDGET ACTIVITY 04: | | | | 3,698,532 | 1,327,634 | | |
| | | | | | | | |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------------------------|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| MILITARY PERSONNEL, ARMY | | | | | |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 2010A | 125 | ACCESSION TRAVEL | 112,194 | 195,971 | 210,533 |
| 2010A | 130 | TRAINING TRAVEL | 76,061 | 53,235 | 54,855 |
| 2010A | 135 | OPERATIONAL TRAVEL | 214,713 | 177,814 | 198,988 |
| 2010A | 140 | ROTATIONAL TRAVEL | 576,602 | 313,045 | 410,789 |
| 2010A | 145 | SEPARATION TRAVEL | 115,401 | 154,083 | 173,045 |
| 2010A | 150 | TRAVEL OF ORGANIZED UNITS | 5,707 | 3,492 | 3,561 |
| 2010A | 155 | NON-Temporary STORAGE | 27,912 | 31,387 | 34,883 |
| 2010A | 160 | TEMPORARY LODGING EXPENSE | 18,427 | 20,456 | 24,354 |
| 2010A | 165 | OTHER | 1,153 | | |
| | | TOTAL BUDGET ACTIVITY 05: | 1,148,170 | 949,483 | 1,111,008 |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 2010A | 170 | APPREHENSION OF MILITARY DESERTERS | 470 | 615 | 1,416 |
| 2010A | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 6,183 | 202 | 203 |
| 2010A | 180 | DEATH GRATUITIES | 14,304 | 6,968 | 7,080 |
| 2010A | 185 | UNEMPLOYMENT BENEFITS | 267,161 | 78,595 | 146,549 |
| 2010A | 190 | SURVIVOR BENEFITS | 4,309 | 4,098 | 3,724 |
| 2010A | 195 | EDUCATION BENEFITS | 4,723 | 4,268 | 4,268 |
| 2010A | 200 | ADOPTION EXPENSES | 458 | 448 | 452 |
| 2010A | 210 | TRANSPORTATION SUBSIDY | 4,370 | 4,365 | 4,365 |
| 2010A | 215 | PARTIAL DISLOCATION ALLOWANCE | 798 | 2,500 | 2,500 |
| 2010A | 216 | SGLI EXTRA HAZARD PAYMENTS | 5,642 | | |
| 2010A | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 82,933 |
| 2010A | 218 | JUNIOR ROTC | | | 28,600 |
| | | TOTAL BUDGET ACTIVITY 06: | 308,418 | 102,059 | 282,090 |
| 2010A | 220 | LESS REIMBURSABLES | (496,205) | (287,460) | (298,174) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, ARMY | 40,362,979 | 29,409,870 | 28,400,687 |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | RESERVE PERSONNEL, ARMY | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 2070A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 971,575 | 862,752 | 1,021,013 |
| 2070A | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 25,742 | 43,414 | 48,989 |
| 2070A | 30 | PAY GROUP F TRAINING (RECRUITS) | 176,231 | 175,891 | 181,631 |
| 2070A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 4,533 | 7,010 | 842 |
| 2070A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 365,584 | 595,142 | |
| 2070A | 60 | RETIRE HEALTH ACCRUAL | 4,356 | 17,559 | 19,031 |
| 2070A | 70 | SCHOOL TRAINING | 112,795 | 132,965 | 179,008 |
| 2070A | 80 | SPECIAL TRAINING | 174,887 | 166,698 | 159,606 |
| 2070A | 90 | ADMINISTRATION AND SUPPORT | 1,258,276 | 1,366,456 | 1,477,861 |
| 2070A | 100 | EDUCATION BENEFITS | 35,703 | 81,458 | 108,594 |
| 2070A | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 103,450 | 121,549 | |
| 2070A | 120 | HEALTH PROFESSION SCHOLARSHIP | 29,548 | 32,497 | 34,219 |
| 2070A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 64,502 | 77,971 | |
| 2070A | 130 | OTHER PROGRAMS | 31,010 | 24,335 | 18,475 |
| | | TOTAL BUDGET ACTIVITY 01: | 1,543,665 | 1,684,209 | 3,249,269 |
| | | TOTAL BUDGET ACTIVITY 02: | 1,814,527 | 2,021,488 | |
| | | TOTAL DIRECT - RESERVE PERSONNEL, ARMY | 3,358,192 | 3,705,697 | 3,249,269 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------------------------------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| NATIONAL GUARD PERSONNEL, ARMY | | | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 2060A | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 1,476,682 | 1,622,471 | 1,602,858 |
| 2060A | 30 | PAY GROUP F TRAINING (RECRUITS) | 255,625 | 291,670 | 315,333 |
| 2060A | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 21,883 | 36,893 | 30,767 |
| 2060A | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 605,801 | 1,007,258 | |
| 2060A | 70 | SCHOOL TRAINING | 291,180 | 218,603 | 300,499 |
| 2060A | 80 | SPECIAL TRAINING | 485,076 | 255,137 | 211,114 |
| 2060A | 90 | ADMINISTRATION AND SUPPORT | 1,906,729 | 2,234,332 | 2,436,257 |
| 2060A | 100 | EDUCATION BENEFITS | 106,484 | 161,987 | 225,966 |
| 2060A | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 99,594 | 138,794 | |
| | | TOTAL BUDGET ACTIVITY 01: | 2,359,991 | 2,958,292 | 5,122,794 |
| | | TOTAL BUDGET ACTIVITY 02: | 2,889,063 | 3,008,853 | |
| | | TOTAL DIRECT - NATIONAL GUARD PERSONNEL, ARMY | 5,249,054 | 5,967,145 | 5,122,794 |
| | | TOTAL DIRECT - ARMY MILITARY PERSONNEL APPROPRIATIONS | 48,970,225 | 39,082,712 | 36,772,750 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1004A | 300 | ARMY | | | 2,704,584 |
| 1005A | 300 | RESERVE PERSONNEL, ARMY | | | 716,969 |
| 1006A | 300 | NATIONAL GUARD PERSONNEL, ARMY | | | 1,219,403 |
| | | GRAND TOTAL DIRECT - ARMY MILITARY PERSONNEL COSTS | 48,970,225 | 39,082,712 | 41,413,706 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------------------------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| MILITARY PERSONNEL, NAVY | | | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 1453N | 5 | BASIC PAY | 3,170,035 | 3,161,683 | 3,234,081 |
| 1453N | 10 | RETIRERD PAY ACCRUAL | 871,759 | 868,663 | 857,031 |
| 1453N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 251,487 | 288,823 | |
| 1453N | 25 | BASIC ALLOWANCE FOR HOUSING | 897,630 | 915,453 | 963,929 |
| 1453N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 116,991 | 116,629 | 121,720 |
| 1453N | 35 | INCENTIVE PAYS | 165,941 | 205,214 | 219,122 |
| 1453N | 40 | SPECIAL PAYS | 277,239 | 266,424 | 288,224 |
| 1453N | 45 | ALLOWANCES | 114,851 | 77,185 | 93,792 |
| 1453N | 50 | SEPARATION PAY | 36,854 | 21,873 | 98,879 |
| 1453N | 55 | SOCIAL SECURITY TAX | 242,508 | 240,752 | 244,979 |
| | | TOTAL BUDGET ACTIVITY 01: | 6,145,295 | 6,162,699 | 6,121,757 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 1453N | 60 | BASIC PAY | 7,962,526 | 8,049,275 | 8,068,225 |
| 1453N | 65 | RETIRERD PAY ACCRUAL | 2,185,255 | 2,211,418 | 2,138,078 |
| 1453N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,477,402 | 1,688,600 | |
| 1453N | 80 | BASIC ALLOWANCE FOR HOUSING | 2,571,492 | 2,561,364 | 2,628,976 |
| 1453N | 85 | INCENTIVE PAYS | 101,122 | 108,657 | 108,878 |
| 1453N | 90 | SPECIAL PAYS | 848,548 | 815,817 | 938,343 |
| 1453N | 95 | ALLOWANCES | 594,543 | 438,305 | 507,735 |
| 1453N | 100 | SEPARATION PAY | 184,704 | 162,725 | 285,891 |
| 1453N | 105 | SOCIAL SECURITY TAX | 607,898 | 610,818 | 612,220 |
| | | TOTAL BUDGET ACTIVITY 02: | 16,533,490 | 16,646,979 | 15,288,346 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | |
| 1453N | 110 | MIDSHIPMEN | 54,471 | 52,289 | 56,108 |
| | | TOTAL BUDGET ACTIVITY 03: | 54,471 | 52,289 | 56,108 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 1453N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 631,555 | 615,226 | 663,385 |
| 1453N | 120 | SUBSISTENCE-IN-KIND | 331,714 | 395,504 | 366,523 |
| 1453N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 120 | 500 | 500 |
| | | TOTAL BUDGET ACTIVITY 04: | 963,389 | 1,011,230 | 1,030,408 |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------------------------|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| MILITARY PERSONNEL, NAVY | | | | | |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 1453N | 125 | ACCESSION TRAVEL | 56,580 | 53,895 | 67,016 |
| 1453N | 130 | TRAINING TRAVEL | 65,146 | 70,396 | 72,913 |
| 1453N | 135 | OPERATIONAL TRAVEL | 198,158 | 192,055 | 186,317 |
| 1453N | 140 | ROTATIONAL TRAVEL | 305,420 | 299,389 | 281,104 |
| 1453N | 145 | SEPARATION TRAVEL | 100,366 | 96,996 | 104,252 |
| 1453N | 150 | TRAVEL OF ORGANIZED UNITS | 23,104 | 29,934 | 19,160 |
| 1453N | 155 | NON-Temporary STORAGE | 6,621 | 11,570 | 6,350 |
| 1453N | 160 | TEMPORARY LODGING EXPENSE | 7,981 | 13,004 | 7,699 |
| 1453N | 165 | OTHER | 5,058 | 7,622 | 7,686 |
| | | TOTAL BUDGET ACTIVITY 05: | 768,434 | 774,861 | 752,497 |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 1453N | 170 | APPREHENSION OF MILITARY DESERTERS | 729 | 768 | 825 |
| 1453N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 430 | 209 | 209 |
| 1453N | 180 | DEATH GRATUITIES | 7,564 | 3,069 | 3,236 |
| 1453N | 185 | UNEMPLOYMENT BENEFITS | 97,040 | 59,943 | 66,358 |
| 1453N | 190 | SURVIVOR BENEFITS | 1,543 | 399 | 1,139 |
| 1453N | 195 | EDUCATION BENEFITS | 1,499 | 1,070 | 1,799 |
| 1453N | 200 | ADOPTION EXPENSES | 308 | 446 | 446 |
| 1453N | 210 | TRANSPORTATION SUBSIDY | 4,536 | 3,951 | 3,951 |
| 1453N | 215 | PARTIAL DISLOCATION ALLOWANCE | 1,840 | 2,200 | 2,461 |
| 1453N | 216 | SGLI EXTRA HAZARD PAYMENTS | 2,560 | | |
| 1453N | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 20,704 |
| 1453N | 218 | JUNIOR R.O.T.C | | | 13,094 |
| | | TOTAL BUDGET ACTIVITY 06: | 118,049 | 72,055 | 114,222 |
| 1453N | 220 | LESS REIMBURSABLES | (366,902) | (344,006) | (331,237) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, NAVY | 24,216,226 | 24,376,107 | 23,032,101 |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | RESERVE PERSONNEL, NAVY | ----- | ----- | ----- |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 1405N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 689,729 | 659,962 | 611,919 |
| 1405N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACTIVE DUTY) | 5,105 | 4,796 | 4,806 |
| 1405N | 30 | PAY GROUP F TRAINING (RECRUITS) | 1,819 | 2,836 | 2,964 |
| 1405N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 131,229 | 205,761 | |
| 1405N | 60 | MOBILIZATION TRAINING | 6,221 | 6,789 | 6,971 |
| 1405N | 70 | SCHOOL TRAINING | 24,853 | 21,079 | 34,451 |
| 1405N | 80 | SPECIAL TRAINING | 86,935 | 64,755 | 71,023 |
| 1405N | 90 | ADMINISTRATION AND SUPPORT | 926,994 | 971,031 | 981,196 |
| 1405N | 100 | EDUCATION BENEFITS | 643 | 16,935 | 25,177 |
| 1405N | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 36,968 | 37,712 | |
| 1405N | 120 | HEALTH PROFESSION SCHOLARSHIP | 27,267 | 31,905 | 35,892 |
| 1405N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 65,191 | 77,033 | |
| | | TOTAL BUDGET ACTIVITY 01: | 827,882 | 873,355 | 1,774,399 |
| | | TOTAL BUDGET ACTIVITY 02: | 1,175,072 | 1,227,239 | |
| | | TOTAL DIRECT - RESERVE PERSONNEL, NAVY | 2,002,954 | 2,100,594 | 1,774,399 |
| | | TOTAL DIRECT - NAVY MILITARY PERSONNEL APPROPRIATIONS | 26,219,180 | 26,476,701 | 24,806,500 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1000N | 300 | NAVY | | | 2,006,415 |
| 1002N | 300 | RESERVE PERSONNEL, NAVY | | | 291,754 |
| | | GRAND TOTAL DIRECT - NAVY MILITARY PERSONNEL COSTS | 26,219,180 | 26,476,701 | 27,104,669 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | MILITARY PERSONNEL, MARINE CORPS | (DOLLARS IN THOUSANDS) | | |
|--------|-----|--|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | | ----- | ----- | ----- |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 1105N | 5 | BASIC PAY | 1,130,659 | 1,078,508 | 1,103,052 |
| 1105N | 10 | RETIRED PAY ACCRUAL | 306,385 | 296,780 | 293,152 |
| 1105N | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 86,420 | 100,083 | |
| 1105N | 25 | BASIC ALLOWANCE FOR HOUSING | 291,741 | 265,842 | 305,952 |
| 1105N | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 42,546 | 40,895 | 42,877 |
| 1105N | 35 | INCENTIVE PAYS | 39,269 | 47,368 | 48,147 |
| 1105N | 40 | SPECIAL PAYS | 23,330 | 4,170 | 4,508 |
| 1105N | 45 | ALLOWANCES | 37,510 | 24,723 | 23,318 |
| 1105N | 50 | SEPARATION PAY | 13,339 | 9,270 | 14,646 |
| 1105N | 55 | SOCIAL SECURITY TAX | 87,080 | 82,456 | 83,587 |
| | | TOTAL BUDGET ACTIVITY 01: | 2,058,279 | 1,950,095 | 1,919,239 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 1105N | 60 | BASIC PAY | 3,614,877 | 3,545,332 | 3,647,008 |
| 1105N | 65 | RETIRED PAY ACCRUAL | 978,145 | 973,098 | 962,920 |
| 1105N | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 721,138 | 835,058 | |
| 1105N | 80 | BASIC ALLOWANCE FOR HOUSING | 823,931 | 787,328 | 873,119 |
| 1105N | 85 | INCENTIVE PAYS | 8,871 | 8,360 | 8,360 |
| 1105N | 90 | SPECIAL PAYS | 186,818 | 114,969 | 123,583 |
| 1105N | 95 | ALLOWANCES | 247,398 | 190,064 | 208,149 |
| 1105N | 100 | SEPARATION PAY | 66,167 | 67,598 | 73,647 |
| 1105N | 105 | SOCIAL SECURITY TAX | 276,078 | 270,698 | 278,431 |
| | | TOTAL BUDGET ACTIVITY 02: | 6,923,423 | 6,792,505 | 6,175,217 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 1105N | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 281,561 | 281,739 | 308,554 |
| 1105N | 120 | SUBSISTENCE-IN-KIND | 284,803 | 222,529 | 247,944 |
| 1105N | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 857 | 750 | 750 |
| | | TOTAL BUDGET ACTIVITY 04: | 567,221 | 505,018 | 557,248 |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|----------------------------------|-----|---|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| MILITARY PERSONNEL, MARINE CORPS | | | ----- | ----- | ----- |
| | | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 1105N | 125 | ACCESSION TRAVEL | 37,350 | 40,498 | 44,475 |
| 1105N | 130 | TRAINING TRAVEL | 8,976 | 9,470 | 9,834 |
| 1105N | 135 | OPERATIONAL TRAVEL | 88,611 | 87,939 | 89,565 |
| 1105N | 140 | ROTATIONAL TRAVEL | 117,629 | 123,577 | 126,094 |
| 1105N | 145 | SEPARATION TRAVEL | 43,571 | 44,887 | 49,739 |
| 1105N | 150 | TRAVEL OF ORGANIZED UNITS | 1,487 | 1,575 | 1,722 |
| 1105N | 155 | NON-TEMPORARY STORAGE | 5,045 | 5,138 | 5,241 |
| 1105N | 160 | TEMPORARY LODGING EXPENSE | 11,879 | 12,346 | 12,593 |
| 1105N | 165 | OTHER | 2,388 | 2,428 | 2,438 |
| | | TOTAL BUDGET ACTIVITY 05: | 316,936 | 327,858 | 341,701 |
| | | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 1105N | 170 | APPREHENSION OF MILITARY DESERTERS | 1,000 | 1,611 | 1,638 |
| 1105N | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 86 | 16 | 16 |
| 1105N | 180 | DEATH GRATUITIES | 6,449 | 2,004 | 2,100 |
| 1105N | 185 | UNEMPLOYMENT BENEFITS | 90,935 | 44,213 | 51,970 |
| 1105N | 190 | SURVIVOR BENEFITS | 888 | 1,489 | 721 |
| 1105N | 195 | EDUCATION BENEFITS | 2,866 | 1,022 | 1,039 |
| 1105N | 200 | ADOPTION EXPENSES | 54 | 155 | 259 |
| 1105N | 210 | TRANSPORTATION SUBSIDY | 985 | 1,050 | 1,155 |
| 1105N | 215 | PARTIAL DISLOCATION ALLOWANCE | 877 | 657 | 668 |
| 1105N | 216 | SGLI EXTRA HAZARD PAYMENTS | 1,223 | | |
| 1105N | 218 | JUNIOR R.O.T.C. | | | 5,302 |
| | | TOTAL BUDGET ACTIVITY 06: | 105,363 | 52,217 | 64,868 |
| 1105N | 220 | LESS REIMBURSABLES | (15,683) | (30,914) | (33,289) |
| | | TOTAL DIRECT - MILITARY PERSONNEL, MARINE CORPS | 9,955,539 | 9,596,779 | 9,024,984 |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | RESERVE PERSONNEL, MARINE CORPS | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 1108N | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 149,901 | 145,796 | 144,822 |
| 1108N | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 15,584 | 22,052 | 23,758 |
| 1108N | 30 | PAY GROUP F TRAINING (RECRUITS) | 79,807 | 83,958 | 88,140 |
| 1108N | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 31 | 61 | 64 |
| 1108N | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 70,887 | 116,658 | |
| 1108N | 60 | MOBILIZATION TRAINING | 1,082 | 2,533 | 2,622 |
| 1108N | 70 | SCHOOL TRAINING | 13,061 | 11,640 | 12,053 |
| 1108N | 80 | SPECIAL TRAINING | 34,897 | 34,181 | 43,962 |
| 1108N | 90 | ADMINISTRATION AND SUPPORT | 150,830 | 156,928 | 161,851 |
| 1108N | 95 | PLATOON LEADER CLASS | 12,012 | 12,517 | 12,707 |
| 1108N | 100 | EDUCATION BENEFITS | 15,953 | 33,119 | 31,222 |
| 1108N | 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 4,991 | 5,213 | |
| 1108N | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 10,425 | 12,289 | |
| | | TOTAL BUDGET ACTIVITY 01: | 316,210 | 368,525 | 521,201 |
| | | TOTAL BUDGET ACTIVITY 02: | 243,251 | 268,420 | |
| | | TOTAL DIRECT - RESERVE PERSONNEL, MARINE CORPS | 559,461 | 636,945 | 521,201 |
| | | TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL APPROPRIATIONS | 10,515,000 | 10,233,724 | 9,546,185 |
| | | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | |
| 1001N | 300 | MARINE CORPS | | | 981,905 |
| 1003N | 300 | RESERVE PERSONNEL, MARINE CORPS | | | 136,589 |
| | | GRAND TOTAL DIRECT - MARINE CORPS MILITARY PERSONNEL COSTS | 10,515,000 | 10,233,724 | 10,664,679 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|-------------------------------|-----|--|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| MILITARY PERSONNEL, AIR FORCE | | | | | |
| | | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 3500F | 5 | BASIC PAY | 4,490,047 | 4,034,076 | 4,491,448 |
| 3500F | 6 | ARMY SECURITY | 18,800 | | |
| 3500F | 10 | RETIRED PAY ACCRUAL | 1,216,804 | 1,109,370 | 1,184,999 |
| 3500F | 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 336,326 | 393,696 | |
| 3500F | 25 | BASIC ALLOWANCE FOR HOUSING | 1,009,615 | 1,105,567 | 1,160,175 |
| 3500F | 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 159,366 | 160,672 | 168,228 |
| 3500F | 35 | INCENTIVE PAYS | 374,529 | 336,314 | 325,495 |
| 3500F | 40 | SPECIAL PAYS | 244,714 | 247,138 | 255,805 |
| 3500F | 45 | ALLOWANCES | 133,691 | 129,953 | 133,442 |
| 3500F | 50 | SEPARATION PAY | 71,199 | 71,983 | 61,488 |
| 3500F | 55 | SOCIAL SECURITY TAX | 341,574 | 307,845 | 340,588 |
| | | TOTAL BUDGET ACTIVITY 01: | 8,396,665 | 7,896,614 | 8,121,668 |
| | | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 3500F | 60 | BASIC PAY | 8,207,288 | 7,450,892 | 7,800,171 |
| 3500F | 61 | ARMY SECURITY | 255,612 | | |
| 3500F | 65 | RETIRED PAY ACCRUAL | 2,232,198 | 2,048,995 | 2,046,105 |
| 3500F | 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,392,529 | 1,561,407 | |
| 3500F | 80 | BASIC ALLOWANCE FOR HOUSING | 2,119,413 | 1,944,970 | 2,079,938 |
| 3500F | 85 | INCENTIVE PAYS | 48,392 | 35,141 | 34,496 |
| 3500F | 90 | SPECIAL PAYS | 444,729 | 304,581 | 277,381 |
| 3500F | 95 | ALLOWANCES | 612,987 | 604,159 | 636,193 |
| 3500F | 100 | SEPARATION PAY | 152,187 | 156,332 | 145,474 |
| 3500F | 105 | SOCIAL SECURITY TAX | 630,122 | 569,993 | 596,713 |
| | | TOTAL BUDGET ACTIVITY 02: | 16,095,457 | 14,676,470 | 13,616,471 |
| | | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | |
| 3500F | 110 | ACADEMY CADETS | 50,362 | 52,543 | 55,056 |
| | | TOTAL BUDGET ACTIVITY 03: | 50,362 | 52,543 | 55,056 |
| | | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 3500F | 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 845,487 | 772,860 | 785,720 |
| 3500F | 120 | SUBSISTENCE-IN-KIND | 231,595 | 132,717 | 135,216 |
| 3500F | 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 1,254 | 1,254 | 1,254 |
| | | TOTAL BUDGET ACTIVITY 04: | 1,078,336 | 906,831 | 922,190 |

UNCLASSIFIED

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | | | |
|---|-----|--|------------------------|------------|------------|--|--|
| | | | FY 2004 | FY 2005 | FY 2006 | | |
| MILITARY PERSONNEL, AIR FORCE | | | | | | | |
| ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | | | | | |
| 3500F | 125 | ACCESSION TRAVEL | 87,387 | 58,970 | 78,682 | | |
| 3500F | 130 | TRAINING TRAVEL | 83,376 | 85,299 | 95,149 | | |
| 3500F | 135 | OPERATIONAL TRAVEL | 167,827 | 176,513 | 149,826 | | |
| 3500F | 140 | ROTATIONAL TRAVEL | 473,407 | 495,962 | 492,620 | | |
| 3500F | 145 | SEPARATION TRAVEL | 104,077 | 101,210 | 146,340 | | |
| 3500F | 150 | TRAVEL OF ORGANIZED UNITS | 7,913 | 7,817 | 7,406 | | |
| 3500F | 155 | NON-TEMPORARY STORAGE | 25,702 | 25,412 | 27,188 | | |
| 3500F | 160 | TEMPORARY LODGING EXPENSE | 37,228 | 38,329 | 34,844 | | |
| TOTAL BUDGET ACTIVITY 05: | | | | 986,917 | 989,512 | | |
| ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | | | | | |
| 3500F | 170 | APPREHENSION OF MILITARY DESERTERS | 100 | 100 | 100 | | |
| 3500F | 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 666 | 595 | 671 | | |
| 3500F | 180 | DEATH GRATUITIES | 2,880 | 2,980 | 2,969 | | |
| 3500F | 185 | UNEMPLOYMENT BENEFITS | 55,433 | 37,033 | 49,711 | | |
| 3500F | 190 | SURVIVOR BENEFITS | 3,097 | 1,591 | 1,546 | | |
| 3500F | 195 | EDUCATION BENEFITS | 3,261 | 3,317 | 3,317 | | |
| 3500F | 200 | ADOPTION EXPENSES | 381 | 582 | 582 | | |
| 3500F | 210 | TRANSPORTATION SUBSIDY | 4,200 | 3,794 | 3,815 | | |
| 3500F | 215 | PARTIAL DISLOCATION ALLOWANCE | 4,550 | 4,781 | 4,781 | | |
| 3500F | 216 | EXTRA HAZARD REIMBURSE FOR SGLI | 2,950 | | | | |
| 3500F | 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 38,728 | | |
| 3500F | 218 | JUNIOR ROTC | | | 21,630 | | |
| TOTAL BUDGET ACTIVITY 06: | | | | 77,518 | 54,773 | | |
| 3500F | 220 | LESS REIMBURSABLES | (382,451) | (381,532) | (380,340) | | |
| TOTAL DIRECT - MILITARY PERSONNEL, AIR FORCE | | | | 26,302,804 | 24,195,211 | | |
| | | | | | 23,494,950 | | |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | RESERVE PERSONNEL, AIR FORCE | (DOLLARS IN THOUSANDS) | | |
|--------|-----|---|------------------------|-----------|-----------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | ----- | ----- | ----- |
| 3700F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 486,051 | 542,348 | 596,669 |
| 3700F | 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 102,648 | 104,723 | 112,039 |
| 3700F | 30 | PAY GROUP F TRAINING (RECRUITS) | 40,991 | 37,056 | 47,771 |
| 3700F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 108 | 95 | 97 |
| 3700F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 136,841 | 230,827 | |
| 3700F | 60 | MOBILIZATION TRAINING | | 1,800 | 1,800 |
| 3700F | 70 | SCHOOL TRAINING | 99,245 | 102,117 | 107,605 |
| 3700F | 80 | SPECIAL TRAINING | 112,658 | 114,297 | 124,534 |
| 3700F | 90 | ADMINISTRATION AND SUPPORT | 146,326 | 175,747 | 213,247 |
| 3700F | 100 | EDUCATION BENEFITS | 10,803 | 28,585 | 56,438 |
| 3700F | 110 | ROTC - SENIOR, JUNIOR | 67,365 | 72,563 | |
| 3700F | 120 | HEALTH PROFESSION SCHOLARSHIP | 26,840 | 29,269 | 28,963 |
| 3700F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 7,286 | 9,629 | |
| 3700F | 130 | OTHER PROGRAMS (ADMIN & SUPPORT) | 16,307 | 20,679 | 25,683 |
| | | TOTAL BUDGET ACTIVITY 01: | 766,639 | 915,049 | 1,314,846 |
| | | TOTAL BUDGET ACTIVITY 02: | 486,830 | 554,686 | |
| | | TOTAL DIRECT - RESERVE PERSONNEL, AIR FORCE | 1,253,469 | 1,469,735 | 1,314,846 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| APPROP | ID | | (DOLLARS IN THOUSANDS) | | |
|--|-----|---|------------------------|------------|------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| NATIONAL GUARD PERSONNEL, AIR FORCE | | | | | |
| | | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 3850F | 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 763,728 | 830,273 | 877,728 |
| 3850F | 30 | PAY GROUP F TRAINING (RECRUITS) | 72,018 | 64,534 | 65,630 |
| 3850F | 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 2,325 | 1,214 | 457 |
| 3850F | 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 177,939 | 296,860 | |
| 3850F | 70 | SCHOOL TRAINING | 149,778 | 144,465 | 155,452 |
| 3850F | 80 | SPECIAL TRAINING | 177,840 | 177,621 | 90,829 |
| 3850F | 90 | ADMINISTRATION AND SUPPORT | 854,790 | 929,493 | 1,035,885 |
| 3850F | 100 | EDUCATION BENEFITS | 37,282 | 57,187 | 74,051 |
| 3850F | 125 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 52,752 | 63,853 | |
| TOTAL BUDGET ACTIVITY 01: | | | 1,016,010 | 1,192,881 | 2,300,032 |
| TOTAL BUDGET ACTIVITY 02: | | | 1,272,442 | 1,372,619 | |
| TOTAL DIRECT - NATIONAL GUARD PERSONNEL, AIR FORCE | | | 2,288,452 | 2,565,500 | 2,300,032 |
| TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL APPROPRIATIONS | | | 29,844,725 | 28,230,446 | 27,109,828 |
| MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION ACCOUNTS: | | | | | |
| 1007F | 300 | AIR FORCE | | | 2,009,662 |
| 1008F | 300 | RESERVE PERSONNEL, AIR FORCE | | | 254,333 |
| 1009F | 300 | NATIONAL GUARD PERSONNEL, AIR FORCE | | | 385,869 |
| GRAND TOTAL DIRECT - AIR FORCE MILITARY PERSONNEL COSTS | | | 29,844,725 | 28,230,446 | 29,759,692 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|--|------------------------|------------|------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| | MILITARY PERSONNEL, GRAND TOTAL | ----- | ----- | ----- |
| | ACTIVITY 01: PAY AND ALLOWANCES OF OFFICERS | | | |
| 5 | BASIC PAY | 14,199,583 | 12,725,339 | 13,444,809 |
| 6 | ARMY SECURITY | 18,800 | | |
| 10 | RETIRED PAY ACCRUAL | 3,835,101 | 3,498,857 | 3,558,482 |
| 15 | DEFENSE HEALTH PROGRAM ACCRUAL | 1,045,500 | 1,208,992 | |
| 25 | BASIC ALLOWANCE FOR HOUSING | 3,413,227 | 3,371,112 | 3,701,598 |
| 30 | BASIC ALLOWANCE FOR SUBSISTENCE | 530,832 | 491,394 | 510,793 |
| 35 | INCENTIVE PAYS | 674,671 | 688,504 | 691,059 |
| 40 | SPECIAL PAYS | 839,486 | 730,689 | 769,328 |
| 45 | ALLOWANCES | 664,190 | 393,626 | 399,636 |
| 50 | SEPARATION PAY | 169,138 | 176,248 | 237,012 |
| 55 | SOCIAL SECURITY TAX | 1,077,008 | 973,261 | 1,019,196 |
| | TOTAL BUDGET ACTIVITY 01: | 26,467,536 | 24,258,022 | 24,331,913 |
| | ACTIVITY 02: PAY AND ALLOWANCES OF ENLISTED | | | |
| 60 | BASIC PAY | 33,178,323 | 28,311,328 | 29,550,719 |
| 61 | ARMY SECURITY | 255,612 | | |
| 65 | RETIRED PAY ACCRUAL | 8,994,946 | 7,781,614 | 7,806,461 |
| 70 | DEFENSE HEALTH PROGRAM ACCRUAL | 5,500,973 | 6,260,226 | |
| 80 | BASIC ALLOWANCE FOR HOUSING | 8,617,979 | 8,208,157 | 8,255,883 |
| 85 | INCENTIVE PAYS | 258,612 | 230,850 | 237,536 |
| 90 | SPECIAL PAYS | 2,499,570 | 1,687,824 | 1,832,483 |
| 95 | ALLOWANCES | 2,787,692 | 1,835,360 | 2,041,472 |
| 100 | SEPARATION PAY | 713,262 | 674,030 | 799,176 |
| 105 | SOCIAL SECURITY TAX | 2,532,408 | 2,145,136 | 2,246,386 |
| | TOTAL BUDGET ACTIVITY 02: | 65,339,377 | 57,134,525 | 52,770,116 |
| | ACTIVITY 03: PAY AND ALLOWANCES OF CADETS | | | |
| 110 | MIDSHIPMEN | 154,593 | 155,801 | 165,495 |
| | TOTAL BUDGET ACTIVITY 03: | 154,593 | 155,801 | 165,495 |
| | ACTIVITY 04: SUBSISTENCE OF ENLISTED PERSONNEL | | | |
| 115 | BASIC ALLOWANCE FOR SUBSISTENCE | 2,831,524 | 2,475,235 | 2,584,916 |
| 120 | SUBSISTENCE-IN-KIND | 3,472,467 | 1,271,437 | 1,311,283 |
| 121 | FAMILY SUBSISTENCE SUPPLEMENTAL ALLOWANCE | 3,487 | 4,041 | 5,748 |
| | TOTAL BUDGET ACTIVITY 04: | 6,307,478 | 3,750,713 | 3,901,947 |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|-----|--|------------------------|-------------|-------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| | MILITARY PERSONNEL, GRAND TOTAL | ----- | ----- | ----- |
| | ACTIVITY 05: PERMANENT CHANGE OF STATION TRAVEL | | | |
| 125 | ACCESSION TRAVEL | 293,511 | 349,334 | 400,706 |
| 130 | TRAINING TRAVEL | 233,559 | 218,400 | 232,751 |
| 135 | OPERATIONAL TRAVEL | 669,309 | 634,321 | 624,696 |
| 140 | ROTATIONAL TRAVEL | 1,473,058 | 1,231,973 | 1,310,607 |
| 145 | SEPARATION TRAVEL | 363,415 | 397,176 | 473,376 |
| 150 | TRAVEL OF ORGANIZED UNITS | 38,211 | 42,818 | 31,849 |
| 155 | NON-TEMPORARY STORAGE | 65,280 | 73,507 | 73,662 |
| 160 | TEMPORARY LODGING EXPENSE | 75,515 | 84,135 | 79,490 |
| 165 | OTHER | 8,599 | 10,050 | 10,124 |
| | TOTAL BUDGET ACTIVITY 05: | 3,220,457 | 3,041,714 | 3,237,261 |
| | ACTIVITY 06: OTHER MILITARY PERSONNEL COSTS | | | |
| 170 | APPREHENSION OF MILITARY DESERTERS | 2,299 | 3,094 | 3,979 |
| 175 | INTEREST ON UNIFORMED SERVICES SAVINGS | 7,365 | 1,022 | 1,099 |
| 180 | DEATH GRATUITIES | 31,197 | 15,021 | 15,385 |
| 185 | UNEMPLOYMENT BENEFITS | 510,569 | 219,784 | 314,588 |
| 190 | SURVIVOR BENEFITS | 9,837 | 7,577 | 7,130 |
| 195 | EDUCATION BENEFITS | 12,349 | 9,677 | 10,423 |
| 200 | ADOPTION EXPENSES | 1,201 | 1,631 | 1,739 |
| 210 | TRANSPORTATION SUBSIDY | 14,091 | 13,160 | 13,286 |
| 215 | PARTIAL DISLOCATION ALLOWANCE | 8,065 | 10,138 | 10,410 |
| 216 | SGLI EXTRA HAZARD PAYMENTS | 12,375 | | |
| 217 | RESERVE OFFICERS TRAINING CORPS (ROTC) | | | 142,365 |
| 218 | JUNIOR R.O.T.C. | | | 68,626 |
| | TOTAL BUDGET ACTIVITY 06: | 609,348 | 281,104 | 589,030 |
| 220 | LESS REIMBURSABLES | (1,261,241) | (1,043,912) | (1,043,040) |
| | TOTAL DIRECT - ACTIVE | 100,837,548 | 87,577,967 | 83,952,722 |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | | 7,702,566 |
| | GRAND TOTAL DIRECT - ACTIVE PERSONNEL COSTS | 100,837,548 | 87,577,967 | 91,655,288 |

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|--------------------------------|---|------------------------|-----------|-----------|
| | | FY 2004 | FY 2005 | FY 2006 |
| RESERVE PERSONNEL, GRAND TOTAL | | | | |
| | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,297,256 | 2,210,858 | 2,374,423 |
| 20 | PAY GROUP B TRAINING (BACKFILL FOR ACT DUTY) | 149,079 | 174,985 | 189,592 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 298,848 | 299,741 | 320,506 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 4,672 | 7,166 | 1,003 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 704,541 | 1,148,388 | |
| 60 | MOBILIZATION TRAINING | 11,659 | 28,681 | 30,424 |
| 70 | SCHOOL TRAINING | 249,954 | 267,801 | 333,117 |
| 80 | SPECIAL TRAINING | 409,377 | 379,931 | 399,125 |
| 90 | ADMINISTRATION AND SUPPORT | 2,482,426 | 2,670,162 | 2,834,155 |
| 95 | PLATOON LEADER CLASS | 12,012 | 12,517 | 12,707 |
| 100 | EDUCATION BENEFITS | 63,102 | 160,097 | 221,431 |
| 110 | ROTC - SENIOR, JUNIOR, SCHOLARSHIP | 212,774 | 237,037 | |
| 120 | HEALTH PROFESSION SCHOLARSHIP | 83,655 | 93,671 | 99,074 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 147,404 | 176,922 | |
| 130 | OTHER PROGRAMS | 47,317 | 45,014 | 44,158 |
| | TOTAL BUDGET ACTIVITY 01: | 3,454,396 | 3,841,138 | 6,859,715 |
| | TOTAL BUDGET ACTIVITY 02: | 3,719,680 | 4,071,833 | |
| | TOTAL DIRECT - RESERVE | 7,174,076 | 7,912,971 | 6,859,715 |
| | | | | |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | | 1,399,645 |
| | GRAND TOTAL DIRECT - RESERVE PERSONNEL COSTS | 7,174,076 | 7,912,971 | 8,259,360 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

UNCLASSIFIED

Exhibit M-1A

FY 2005 Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287)
 FY 2006/2007 President's Budget

| ID | | (DOLLARS IN THOUSANDS) | | |
|---------------------------------------|---|------------------------|-------------|-------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| NATIONAL GUARD PERSONNEL, GRAND TOTAL | | | | |
| | RESERVE COMPONENT TRAINING AND SUPPORT | | | |
| 10 | PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48) | 2,240,410 | 2,452,744 | 2,480,586 |
| 30 | PAY GROUP F TRAINING (RECRUITS) | 327,643 | 356,204 | 380,963 |
| 40 | PAY GROUP P TRAINING (PIPELINE RECRUITS) | 24,208 | 38,107 | 31,224 |
| 45 | DEFENSE HEALTH PROGRAM ACCRUAL (UNIT & INDIVIDUAL TRAINING) | 783,740 | 1,304,118 | |
| 70 | SCHOOL TRAINING | 440,958 | 363,068 | 455,951 |
| 80 | SPECIAL TRAINING | 662,916 | 432,758 | 301,943 |
| 90 | ADMINISTRATION AND SUPPORT | 2,761,519 | 3,163,825 | 3,472,142 |
| 100 | EDUCATION BENEFITS | 143,766 | 219,174 | 300,017 |
| 125 | DEFENSE HEALTH PROGRAM ACCRUAL (ADMIN & SUPPORT) | 152,346 | 202,647 | |
| | TOTAL BUDGET ACTIVITY 01: | 3,376,001 | 4,151,173 | 8,822,471 |
| | TOTAL BUDGET ACTIVITY 02: | 4,161,505 | 4,381,472 | |
| | TOTAL DIRECT - NATIONAL GUARD | 7,537,506 | 8,532,645 | 7,422,826 |
| | | | | |
| 300 | MEDICARE-ELIGIBLE RETIREE HEALTH FUND CONTRIBUTION | | | 1,605,272 |
| | GRAND TOTAL DIRECT - NATIONAL GUARD PERSONNEL COSTS | 7,537,506 | 8,532,645 | 9,028,098 |
| | GRAND TOTAL DIRECT - MILITARY PERSONNEL | 115,549,130 | 104,023,583 | 108,942,746 |

* The FY 2006/FY 2007 budget submission reflects the consolidation of the two budget activities within the Reserve Component personnel appropriations. For comparison purposes, the FY 2004 and FY 2005 columns are shown in the revised consolidated format.

OPERATION AND MAINTENANCE PROGRAMS (O-1)



*Department of Defense Budget
Fiscal Year 2006
February 2005
Office of the Under Secretary of Defense (Comptroller)*

Table of Contents

Exhibit O-1

| | <u>Page</u> |
|---|-------------|
| <u>Appropriation</u> | |
| Appropriation Summary | 1 |
| Operation and Maintenance, Army | 3 |
| Operation and Maintenance, Navy | 5 |
| Operation and Maintenance, Marine Corps | 8 |
| Operation and Maintenance, Air Force | 10 |
| Operation and Maintenance, Defense-Wide | 13 |
| Office of the Inspector General | 14 |
| Operation and Maintenance, Army Reserve | 15 |
| Operation and Maintenance, Navy Reserve | 16 |
| Operation and Maintenance, Marine Corps Reserve | 18 |
| Operation and Maintenance, Air Force Reserve | 19 |
| Operation and Maintenance, Army National Guard | 20 |
| Operation and Maintenance, Air National Guard | 21 |
| Drug Interdiction & Counter-Drug Account | 22 |
| Defense Health Program | 23 |
| Transfer Accounts | 24 |
| Miscellaneous Appropriations | 24 |

The O-1 is provided annually to the DoD oversight committees of the Congress coincident with the transmittal of the President's Budget. This document is available to the public on the Internet at <http://www.dod.mil/comptroller/defbudget/fy2006/index.html#>

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

Appropriation Summary

Department of the Army

OPERATION & MAINTENANCE, ARMY
 OPERATION & MAINTENANCE, ARMY RESERVE
 OPERATION & MAINTENANCE, ARMY NATIONAL GUARD
Total Department of the Army

Total Obligational Authority
 (Dollars in Thousands)

| FY 2004 | FY 2005 | FY 2006 |
|-------------------|-------------------|-------------------|
| 55,870,768 | 38,979,036 | 25,316,595 |
| 2,035,402 | 1,987,594 | 1,987,382 |
| 4,458,917 | 4,450,018 | 4,509,719 |
| 62,365,087 | 45,416,648 | 31,813,696 |

Department of the Navy

OPERATION & MAINTENANCE, NAVY
 OPERATION & MAINTENANCE, MARINE CORPS
 OPERATION & MAINTENANCE, NAVY RESERVE
 OPERATION & MAINTENANCE, MARINE CORPS RESERVE
Total Department of the Navy

| | | |
|-------------------|-------------------|-------------------|
| 30,288,065 | 29,948,011 | 30,759,889 |
| 4,969,296 | 5,226,946 | 3,804,926 |
| 1,174,046 | 1,235,571 | 1,245,695 |
| 189,202 | 186,732 | 199,934 |
| 36,620,609 | 36,597,260 | 36,010,444 |

Department of the Air Force

OPERATION & MAINTENANCE, AIR FORCE
 OPERATION & MAINTENANCE, AIR FORCE RESERVE
 OPERATION & MAINTENANCE, AIR NATIONAL GUARD
Total Department of the Air Force

| | | |
|-------------------|-------------------|-------------------|
| 32,981,580 | 27,128,354 | 31,521,136 |
| 2,047,903 | 2,239,433 | 2,501,686 |
| 4,509,777 | 4,463,869 | 4,724,091 |
| 39,539,260 | 33,831,656 | 38,746,913 |

Defense-Wide

OPERATION & MAINTENANCE, DEFENSE-WIDE
 OFFICE OF THE INSPECTOR GENERAL
 DRUG INTERDICTION & COUNTER-DRUG ACT., DEF.
 DEFENSE HEALTH PROGRAM

| | | |
|------------|------------|------------|
| 20,325,148 | 18,885,558 | 18,453,469 |
| 171,736 | 206,709 | 209,687 |
| | 906,522 | 895,741 |
| 17,769,464 | 18,176,521 | 19,791,612 |

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

Appropriation Summary

Transfer Accounts and Miscellaneous

| | | |
|---|----------------|------------------|
| ENVIRONMENTAL RESTORATION FUND, ARMY | 399,955 | 407,865 |
| ENVIRONMENTAL RESTORATION FUND, NAVY | 266,159 | 305,275 |
| ENVIRONMENTAL RESTORATION FUND, AIR FORCE | 396,384 | 406,461 |
| ENVIRONMENTAL RESTORATION FUND, DEFENSE | 23,625 | 28,167 |
| ENVIRONMENTAL RESTORATION USED SITES | 265,856 | 221,921 |
| PAYMENT TO KAHO'OLAE ISLAND FUND | 20,384 | |
| US COURT OF APPEALS FOR THE ARMED FORCES | 10,278 | 11,236 |
| SUPPORT OF INT'L SPORTING COMPETITIONS, DEFENSE | 651 | 505 |
| OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | 9,975 | 20,000 |
| EMERGENCY RESPONSE FUND | 10,296 | 6,000 |
| EMERGENCY RESPONSE FUND, DEFENSE | 120,487 | |
| IRAQ FREEDOM FUND, DEFENSE | 2,144,639 | |
| OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 92,188 | 58,854 |
| FORMER SOVIET UNION (FSU) THREAT REDUCTION | 448,645 | 408,186 |
| Total Miscellaneous | 702,929 | 3,990,936 |
| | | 1,884,525 |

Total Operation and Maintenance Title:

| Total Obligational Authority (Dollars in Thousands) | | |
|---|----------------|----------------|
| FY 2004 | FY 2005 | FY 2006 |
| 177,494,233 | 158,011,810 | 147,806,087 |

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

| Total Obligational Authority | | | |
|--|-------------------|-------------------|-------------------|
| (Dollars in Thousands) | | | |
| | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
| 2020A Operation & Maintenance, Army | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | |
| LAND FORCES | | | |
| 2020A 010 DIVISIONS | 1,597,889 | 1,540,275 | 866,129 |
| 2020A 020 CORPS COMBAT FORCES | 399,486 | 481,905 | 430,353 |
| 2020A 030 CORPS SUPPORT FORCES | 447,076 | 382,653 | 351,673 |
| 2020A 040 EAC SUPPORT FORCES | 562,060 | 970,657 | 951,681 |
| 2020A 050 LAND FORCES OPERATIONS SUPPORT | 938,178 | 1,188,085 | 1,260,976 |
| TOTAL LAND FORCES | 3,944,689 | 4,563,575 | 3,860,812 |
| LAND FORCES READINESS | | | |
| 2020A 060 FORCE READINESS OPERATIONS SUPPORT | 1,724,135 | 1,766,903 | 1,870,382 |
| 2020A 070 LAND FORCES SYSTEMS READINESS | 582,228 | 515,442 | 615,063 |
| 2020A 080 LAND FORCES DEPOT MAINTENANCE | 2,000,527 | 1,236,766 | 1,229,926 |
| TOTAL LAND FORCES READINESS | 4,306,890 | 3,519,111 | 3,715,371 |
| LAND FORCES READINESS SUPPORT | | | |
| 2020A 090 BASE OPERATIONS SUPPORT | 5,948,832 | 5,401,554 | 5,347,826 |
| 2020A 100 FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 1,234,381 | 1,830,163 | 1,825,518 |
| 2020A 110 MANAGEMENT AND OPERATIONAL HQ | 231,511 | 252,762 | 220,288 |
| 2020A 120 UNIFIED COMMANDS | 105,856 | 110,920 | 102,343 |
| 2020A 130 MISCELLANEOUS ACTIVITIES | 28,256,493 | 13,640,666 | 230,202 |
| TOTAL LAND FORCES READINESS SUPPORT | 35,777,073 | 21,236,065 | 7,726,177 |
| TOTAL, BA 01: OPERATING FORCES | 44,028,652 | 29,318,751 | 15,302,360 |
| <u>BUDGET ACTIVITY 02: MOBILIZATION</u> | | | |
| MOBILITY OPERATIONS | | | |
| 2020A 140 STRATEGIC MOBILITY | 258,255 | 294,037 | 248,241 |
| 2020A 150 ARMY PREPOSITIONING STOCKS | 270,257 | 102,504 | 99,917 |
| 2020A 160 INDUSTRIAL PREPAREDNESS | 7,708 | 15,747 | 8,833 |
| TOTAL MOBILITY OPERATIONS | 536,220 | 412,288 | 356,991 |
| TOTAL, BA 02: MOBILIZATION | 536,220 | 412,288 | 356,991 |
| <u>BUDGET ACTIVITY 03: TRAINING AND RECRUITING</u> | | | |
| ACCESSION TRAINING | | | |
| 2020A 170 OFFICER ACQUISITION | 97,173 | 99,910 | 103,722 |
| 2020A 180 RECRUIT TRAINING | 60,188 | 22,341 | 32,125 |
| 2020A 190 ONE STATION UNIT TRAINING | 55,658 | 42,837 | 36,538 |
| 2020A 200 SENIOR RESERVE OFFICERS TRAINING CORPS | 209,625 | 227,575 | 270,351 |
| TOTAL ACCESSION TRAINING | 422,644 | 392,663 | 442,736 |
| BASIC SKILLS AND ADVANCED TRAINING | | | |
| 2020A 210 SPECIALIZED SKILL TRAINING | 436,171 | 477,302 | 510,526 |
| 2020A 220 FLIGHT TRAINING | 557,199 | 580,575 | 635,105 |
| 2020A 230 PROFESSIONAL DEVELOPMENT EDUCATION | 91,688 | 102,575 | 114,854 |

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

2020A Operation & Maintenance, Army

| | | | |
|---|-----|------------------|--|
| 2020A | 240 | TRAINING SUPPORT | |
| TOTAL BASIC SKILLS AND ADVANCED TRAINING | | | |

| Total Obligational Authority (Dollars in Thousands) | | |
|---|------------------|------------------|
| FY 2004 | FY 2005 | FY 2006 |
| 578,827 | 585,421 | 668,981 |
| 1,663,885 | 1,745,873 | 1,929,466 |

RECRUITING AND OTHER TRAINING AND EDUCATION

| | | | | | |
|--|-----|----------------------------------|------------------|------------------|------------------|
| 2020A | 250 | RECRUITING AND ADVERTISING | 455,655 | 454,058 | 481,868 |
| 2020A | 260 | EXAMINING | 105,769 | 129,150 | 121,937 |
| 2020A | 270 | OFF-DUTY AND VOLUNTARY EDUCATION | 249,033 | 289,283 | 262,410 |
| 2020A | 280 | CIVILIAN EDUCATION AND TRAINING | 130,848 | 115,508 | 154,232 |
| 2020A | 290 | JUNIOR ROTC | 125,894 | 135,166 | 141,416 |
| TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | | | 1,067,199 | 1,123,165 | 1,161,863 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | | 3,153,728 | 3,261,701 | 3,534,065 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SECURITY PROGRAMS

| | | | | | |
|--------------------------------|-----|-------------------|----------------|----------------|----------------|
| 2020A | 300 | SECURITY PROGRAMS | 915,768 | 957,110 | 919,796 |
| TOTAL SECURITY PROGRAMS | | | 915,768 | 957,110 | 919,796 |

LOGISTICS OPERATIONS

| | | | | | |
|-----------------------------------|-----|-----------------------------|------------------|------------------|------------------|
| 2020A | 310 | SERVICEWIDE TRANSPORTATION | 1,531,141 | 519,864 | 581,060 |
| 2020A | 320 | CENTRAL SUPPLY ACTIVITIES | 480,983 | 492,301 | 570,178 |
| 2020A | 330 | LOGISTIC SUPPORT ACTIVITIES | 485,210 | 479,571 | 389,696 |
| 2020A | 340 | AMMUNITION MANAGEMENT | 380,363 | 359,019 | 354,162 |
| TOTAL LOGISTICS OPERATIONS | | | 2,877,697 | 1,850,755 | 1,895,096 |

SERVICEWIDE SUPPORT

| | | | | | |
|----------------------------------|-----|----------------------------|------------------|------------------|------------------|
| 2020A | 350 | ADMINISTRATION | 1,231,694 | 667,308 | 606,588 |
| 2020A | 360 | SERVICEWIDE COMMUNICATIONS | 672,585 | 710,868 | 850,053 |
| 2020A | 370 | MANPOWER MANAGEMENT | 220,233 | 245,145 | 238,344 |
| 2020A | 380 | OTHER PERSONNEL SUPPORT | 228,202 | 194,225 | 189,720 |
| 2020A | 390 | OTHER SERVICE SUPPORT | 1,519,763 | 884,010 | 850,059 |
| 2020A | 400 | ARMY CLAIMS ACTIVITIES | 86,967 | 107,869 | 197,361 |
| 2020A | 410 | REAL ESTATE MANAGEMENT | 54,568 | 58,857 | 45,451 |
| TOTAL SERVICEWIDE SUPPORT | | | 4,014,012 | 2,868,282 | 2,977,576 |

SUPPORT OF OTHER NATIONS

| | | | | | |
|---------------------------------------|-----|--------------------------------|----------------|----------------|----------------|
| 2020A | 420 | SUPPORT OF NATO OPERATIONS | 284,243 | 249,963 | 289,447 |
| 2020A | 430 | MISC. SUPPORT OF OTHER NATIONS | 57,448 | 60,186 | 41,264 |
| TOTAL SUPPORT OF OTHER NATIONS | | | 341,691 | 310,149 | 330,711 |

JUDGMENT FUND

| | | | | | |
|----------------------------|-----|---------------|--------------|--|--|
| 2020A | 440 | JUDGMENT FUND | 3,000 | | |
| TOTAL JUDGMENT FUND | | | 3,000 | | |

| | | | | | |
|---|--|--|------------------|------------------|------------------|
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 8,152,168 | 5,986,296 | 6,123,179 |
|---|--|--|------------------|------------------|------------------|

Total Operation & Maintenance, Army

| | | |
|-------------------|-------------------|-------------------|
| 55,870,768 | 38,979,036 | 25,316,595 |
|-------------------|-------------------|-------------------|

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

1804N Operation & Maintenance, Navy

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | | | |
|-----------------------------|-----|-------------------------------------|------------------|------------------|------------------|
| 1804N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 3,365,553 | 2,995,844 | 3,574,529 |
| 1804N | 020 | FLEET AIR TRAINING | 1,119,630 | 1,038,988 | 857,918 |
| 1804N | 030 | INTERMEDIATE MAINTENANCE | 77,867 | 65,727 | 58,661 |
| 1804N | 040 | AIR OPERATIONS AND SAFETY SUPPORT | 131,222 | 110,590 | 114,331 |
| 1804N | 050 | AIR SYSTEMS SUPPORT | | 463,980 | 473,514 |
| 1804N | 060 | AIRCRAFT DEPOT MAINTENANCE | 1,023,020 | 1,181,297 | 961,921 |
| 1804N | 070 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 57,393 | 70,316 | 124,133 |
| TOTAL AIR OPERATIONS | | | 5,774,685 | 5,926,742 | 6,165,007 |

SHIP OPERATIONS

| | | | | | |
|------------------------------|-----|------------------------------------|------------------|------------------|------------------|
| 1804N | 080 | MISSION AND OTHER SHIP OPERATIONS | 2,755,119 | 2,596,439 | 2,999,986 |
| 1804N | 090 | SHIP OPERATIONS SUPPORT & TRAINING | 641,470 | 616,549 | 588,395 |
| 1804N | 100 | SHIP DEPOT MAINTENANCE | 3,921,770 | 3,946,769 | 3,967,408 |
| 1804N | 110 | SHIP DEPOT OPERATIONS SUPPORT | 1,146,747 | 1,034,087 | 833,251 |
| TOTAL SHIP OPERATIONS | | | 8,465,106 | 8,193,844 | 8,389,040 |

COMBAT OPERATIONS/SUPPORT

| | | | | | |
|--|-----|--|------------------|------------------|------------------|
| 1804N | 120 | COMBAT COMMUNICATIONS | 401,811 | 307,085 | 298,100 |
| 1804N | 130 | ELECTRONIC WARFARE | 13,661 | 16,427 | 18,422 |
| 1804N | 140 | SPACE SYSTEMS AND SURVEILLANCE | 173,889 | 134,106 | 156,814 |
| 1804N | 150 | WARFARE TACTICS | 300,797 | 285,316 | 367,830 |
| 1804N | 160 | OPERATIONAL METEOROLOGY AND OCEANOGRAPHY | 254,629 | 253,859 | 259,807 |
| 1804N | 170 | COMBAT SUPPORT FORCES | 1,459,402 | 1,383,706 | 1,321,953 |
| 1804N | 180 | EQUIPMENT MAINTENANCE | 170,251 | 185,141 | 172,958 |
| 1804N | 190 | DEPOT OPERATIONS SUPPORT | 2,616 | 3,186 | 3,703 |
| TOTAL COMBAT OPERATIONS/SUPPORT | | | 2,777,056 | 2,568,826 | 2,599,587 |

WEAPONS SUPPORT

| | | | | | |
|------------------------------|-----|------------------------------------|------------------|------------------|------------------|
| 1804N | 200 | CRUISE MISSILE | 148,045 | 151,787 | 181,294 |
| 1804N | 210 | FLEET BALLISTIC MISSILE | 794,448 | 814,517 | 830,094 |
| 1804N | 220 | IN-SERVICE WEAPONS SYSTEMS SUPPORT | 43,194 | 51,377 | 69,722 |
| 1804N | 230 | WEAPONS MAINTENANCE | 440,450 | 456,343 | 473,584 |
| TOTAL WEAPONS SUPPORT | | | 1,426,137 | 1,474,024 | 1,554,694 |

WORKING CAPITAL FUND SUPPORT

| | | | | |
|---|-----|--------------|-----------------|-----------------|
| 1804N | 240 | NWCF SUPPORT | -447,755* | -150,000** |
| TOTAL WORKING CAPITAL FUND SUPPORT | | | -447,755 | -150,000 |

BASE SUPPORT

| | | | | | |
|---------------------------|-----|--|------------------|------------------|------------------|
| 1804N | 250 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 1,060,016 | 1,678,631 | 1,344,971 |
| 1804N | 260 | BASE OPERATING SUPPORT | 3,331,661 | 3,265,014 | 3,417,244 |
| TOTAL BASE SUPPORT | | | 4,391,677 | 4,943,645 | 4,762,215 |

TOTAL, BA 01: OPERATING FORCES

22,386,906 22,957,081 23,470,543

* Transfer from Navy Working Capital Fund as enacted in Public Law 108-87, Department of Defense Appropriations Act, 2004, to fully fund Operation and Maintenance, Navy programs.

** Public Law 108-287, Department of Defense Appropriations Act, 2005, Section 8107, reduced amounts appropriated to reflect cash balance and rate stabilization adjustments in the DoD Working Capital Funds.

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

1804N Operation & Maintenance, Navy

BUDGET ACTIVITY 02: MOBILIZATION

READY RESERVE AND PREPOSITIONING FORCE

| | | | | | |
|---|-----|-------------------------------|----------------|----------------|----------------|
| 1804N | 270 | SHIP PREPOSITIONING AND SURGE | 536,411 | 534,902 | 533,527 |
| TOTAL READY RESERVE AND PREPOSITIONING FORCE | | | 536,411 | 534,902 | 533,527 |

ACTIVATIONS/INACTIVATIONS

| | | | | | |
|--|-----|------------------------------------|----------------|----------------|----------------|
| 1804N | 280 | AIRCRAFT ACTIVATIONS/INACTIVATIONS | 8,101 | 7,604 | 3,158 |
| 1804N | 290 | SHIP ACTIVATIONS/INACTIVATIONS | 132,480 | 219,867 | 125,629 |
| TOTAL ACTIVATIONS/INACTIVATIONS | | | 140,581 | 227,471 | 128,787 |

MOBILIZATION PREPARATION

| | | | | | |
|---------------------------------------|-----|------------------------|---------------|---------------|---------------|
| 1804N | 300 | FLEET HOSPITAL PROGRAM | 27,397 | 25,388 | 28,245 |
| 1804N | 310 | INDUSTRIAL READINESS | 2,106 | 1,507 | 1,653 |
| 1804N | 320 | COAST GUARD SUPPORT | 16,401 | 16,981 | 19,879 |
| TOTAL MOBILIZATION PREPARATION | | | 45,904 | 43,876 | 49,777 |

TOTAL, BA 02: MOBILIZATION

Total Obligational Authority
(Dollars in Thousands)

| FY 2004 | FY 2005 | FY 2006 |
|----------------|----------------|----------------|
|----------------|----------------|----------------|

BUDGET ACTIVITY 03: TRAINING AND RECRUITING

ACCESSION TRAINING

| | | | | | |
|---------------------------------|-----|---------------------------------|----------------|----------------|----------------|
| 1804N | 330 | OFFICER ACQUISITION | 118,286 | 118,625 | 123,975 |
| 1804N | 340 | RECRUIT TRAINING | 10,266 | 7,618 | 10,153 |
| 1804N | 350 | RESERVE OFFICERS TRAINING CORPS | 91,454 | 99,436 | 103,539 |
| TOTAL ACCESSION TRAINING | | | 220,006 | 225,679 | 237,667 |

BASIC SKILLS AND ADVANCED TRAINING

| | | | | | |
|---|-----|------------------------------------|------------------|------------------|------------------|
| 1804N | 360 | SPECIALIZED SKILL TRAINING | 423,884 | 437,027 | 494,195 |
| 1804N | 370 | FLIGHT TRAINING | 395,639 | 416,569 | 364,692 |
| 1804N | 380 | PROFESSIONAL DEVELOPMENT EDUCATION | 117,581 | 121,712 | 134,935 |
| 1804N | 390 | TRAINING SUPPORT | 242,174 | 234,387 | 243,596 |
| TOTAL BASIC SKILLS AND ADVANCED TRAINING | | | 1,179,278 | 1,209,695 | 1,237,418 |

RECRUITING AND OTHER TRAINING AND EDUCATION

| | | | | | |
|--|-----|----------------------------------|----------------|----------------|----------------|
| 1804N | 400 | RECRUITING AND ADVERTISING | 234,087 | 279,478 | 282,293 |
| 1804N | 410 | OFF-DUTY AND VOLUNTARY EDUCATION | 126,744 | 142,126 | 155,646 |
| 1804N | 420 | CIVILIAN EDUCATION AND TRAINING | 69,235 | 66,884 | 70,983 |
| 1804N | 430 | JUNIOR ROTC | 39,798 | 39,743 | 42,875 |
| TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | | | 469,864 | 528,231 | 551,797 |

TOTAL, BA 03: TRAINING AND RECRUITING

| | | |
|------------------|------------------|------------------|
| 1,869,148 | 1,963,605 | 2,026,882 |
|------------------|------------------|------------------|

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | | | |
|-------|-----|--|---------|---------|---------|
| 1804N | 440 | ADMINISTRATION | 746,071 | 778,795 | 739,521 |
| 1804N | 450 | EXTERNAL RELATIONS | 4,048 | 3,224 | 3,517 |
| 1804N | 460 | CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT | 103,812 | 103,805 | 100,751 |
| 1804N | 470 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 225,557 | 188,162 | 212,813 |

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

1804N Operation & Maintenance, Navy

| | | | | | | |
|-------|-----|----------------------------------|--|------------------|------------------|------------------|
| 1804N | 480 | OTHER PERSONNEL SUPPORT | | 292,824 | 249,624 | 250,278 |
| 1804N | 490 | SERVICEWIDE COMMUNICATIONS | | 607,583 | 551,467 | 773,261 |
| 1804N | 500 | MEDICAL ACTIVITIES | | 20,966 | | |
| | | TOTAL SERVICEWIDE SUPPORT | | 2,000,861 | 1,875,077 | 2,080,141 |

LOGISTICS OPERATIONS AND TECHNICAL SUPPORT

| | | | | | | |
|-------|-----|---|--|------------------|------------------|------------------|
| 1804N | 510 | SERVICEWIDE TRANSPORTATION | | 325,818 | 188,143 | 188,257 |
| 1804N | 520 | ENVIRONMENTAL PROGRAMS | | 254,857 | | |
| 1804N | 530 | PLANNING, ENGINEERING AND DESIGN | | 248,227 | 277,121 | 306,919 |
| 1804N | 540 | ACQUISITION AND PROGRAM MANAGEMENT | | 924,427 | 829,468 | 841,706 |
| 1804N | 550 | AIR SYSTEMS SUPPORT | | 440,146 | | |
| 1804N | 560 | HULL, MECHANICAL AND ELECTRICAL SUPPORT | | 65,432 | 55,116 | 46,373 |
| 1804N | 570 | COMBAT/WEAPONS SYSTEMS | | 40,522 | 50,392 | 46,334 |
| 1804N | 580 | SPACE AND ELECTRONIC WARFARE SYSTEMS | | 59,709 | 65,884 | 75,132 |
| | | TOTAL LOGISTICS OPERATIONS AND TECHNICAL SUPPORT | | 2,359,138 | 1,466,124 | 1,504,721 |

INVESTIGATIONS AND SECURITY PROGRAMS

| | | | | | | |
|-------|-----|---|--|----------------|----------------|----------------|
| 1804N | 590 | NAVAL INVESTIGATIVE SERVICE | | 274,547 | 283,798 | 374,329 |
| | | TOTAL INVESTIGATIONS AND SECURITY PROGRAMS | | 274,547 | 283,798 | 374,329 |

SUPPORT OF OTHER NATIONS

| | | | | | | |
|-------|-----|---|--|---------------|---------------|---------------|
| 1804N | 640 | INTERNATIONAL HEADQUARTERS AND AGENCIES | | 10,863 | 10,072 | 10,663 |
| 1804N | 650 | PRESIDENTIAL DRAWDOWN AUTHORITY | | 49,547 | | |
| | | TOTAL SUPPORT OF OTHER NATIONS | | 60,410 | 10,072 | 10,663 |

CANCELLED ACCOUNTS

| | | | | | | |
|-------|-----|---|--|------------------|------------------|------------------|
| 1804N | 660 | CANCELLED ACCOUNT ADJUSTMENTS | | 1,714 | | |
| 1804N | 670 | JUDGMENT FUND | | 10 | | |
| | | TOTAL CANCELLED ACCOUNTS | | 1,724 | | |
| 1804N | 999 | OTHER PROGRAMS | | 612,435 | 586,005 | 580,519 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 5,309,115 | 4,221,076 | 4,550,373 |

Total Operation & Maintenance, Navy

| | | |
|-------------------------------------|----------------|----------------|
| Total Obligational Authority | | |
| (Dollars in Thousands) | | |
| FY 2004 | FY 2005 | FY 2006 |

| | | |
|-------------------|-------------------|-------------------|
| 2,000,861 | 1,875,077 | 2,080,141 |
| | | |
| 2,359,138 | 1,466,124 | 1,504,721 |
| | | |
| 274,547 | 283,798 | 374,329 |
| | | |
| 60,410 | 10,072 | 10,663 |
| | | |
| 1,724 | | |
| | | |
| 5,309,115 | 4,221,076 | 4,550,373 |
| | | |
| 30,288,065 | 29,948,011 | 30,759,889 |

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

1106N Operation & Maintenance, Marine Corps

| Total Obligational Authority (Dollars in Thousands) | | |
|--|----------------|----------------|
| FY 2004 | FY 2005 | FY 2006 |

BUDGET ACTIVITY 01: OPERATING FORCES

EXPEDITIONARY FORCES

| | | | |
|-----------------------------------|------------------|------------------|------------------|
| 1106N 010 OPERATIONAL FORCES | 1,720,345 | 2,279,379 | 479,482 |
| 1106N 020 FIELD LOGISTICS | 388,486 | 380,537 | 416,501 |
| 1106N 030 DEPOT MAINTENANCE | 170,133 | 101,122 | 113,791 |
| TOTAL EXPEDITIONARY FORCES | 2,278,964 | 2,761,038 | 1,009,774 |

USMC PREPOSITIONING

| | | | |
|-----------------------------------|----------------|---------------|---------------|
| 1106N 040 MARITIME PREPOSITIONING | 109,654 | 68,680 | 69,343 |
| 1106N 050 NORWAY PREPOSITIONING | 3,972 | 3,962 | 5,081 |
| TOTAL USMC PREPOSITIONING | 113,626 | 72,642 | 74,424 |

BASE SUPPORT

| | | | |
|---|------------------|------------------|------------------|
| 1106N 060 SUSTAINMENT, RESTORATION, & MODERNIZATION | 446,088 | 427,569 | 483,005 |
| 1106N 070 BASE OPERATING SUPPORT | 1,005,520 | 1,006,052 | 1,344,113 |
| TOTAL BASE SUPPORT | 1,451,608 | 1,433,621 | 1,827,118 |
| TOTAL, BA 01: OPERATING FORCES | 3,844,198 | 4,267,301 | 2,911,316 |

BUDGET ACTIVITY 03: TRAINING AND RECRUITING

ACCESSION TRAINING

| | | | |
|---------------------------------|---------------|---------------|---------------|
| 1106N 080 RECRUIT TRAINING | 9,838 | 10,480 | 10,885 |
| 1106N 090 OFFICER ACQUISITION | 412 | 346 | 374 |
| TOTAL ACCESSION TRAINING | 10,250 | 10,826 | 11,259 |

BASIC SKILLS AND ADVANCED TRAINING

| | | | |
|---|----------------|----------------|----------------|
| 1106N 100 SPECIALIZED SKILL TRAINING | 35,031 | 40,245 | 40,259 |
| 1106N 110 FLIGHT TRAINING | 49 | 174 | 178 |
| 1106N 120 PROFESSIONAL DEVELOPMENT EDUCATION | 9,538 | 9,364 | 10,687 |
| 1106N 130 TRAINING SUPPORT | 123,205 | 128,849 | 134,048 |
| TOTAL BASIC SKILLS AND ADVANCED TRAINING | 167,823 | 178,632 | 185,172 |

RECRUITING AND OTHER TRAINING AND EDUCATION

| | | | |
|--|----------------|----------------|----------------|
| 1106N 140 RECRUITING AND ADVERTISING | 113,503 | 112,212 | 115,498 |
| 1106N 150 OFF-DUTY AND VOLUNTARY EDUCATION | 39,855 | 44,403 | 51,221 |
| 1106N 160 JUNIOR ROTC | 13,807 | 13,115 | 16,905 |
| TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | 167,165 | 169,730 | 183,624 |

BASE SUPPORT

| | | | |
|--|----------------|----------------|----------------|
| 1106N 170 SUSTAINMENT, RESTORATION AND MODERNIZATION | 74,378 | 67,336 | 67,804 |
| 1106N 180 BASE OPERATING SUPPORT | 141,189 | 161,517 | 120,369 |
| TOTAL BASE SUPPORT | 215,567 | 228,853 | 188,173 |

TOTAL, BA 03: TRAINING AND RECRUITING

| | | |
|----------------|----------------|----------------|
| 560,805 | 588,041 | 568,228 |
|----------------|----------------|----------------|

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

1106N Operation & Maintenance, Marine Corps

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | | | |
|----------------------------------|-----|-----------------------------|----------------|----------------|----------------|
| 1106N | 190 | SPECIAL SUPPORT | 239,585 | 267,621 | 243,195 |
| 1106N | 200 | SERVICE-WIDE TRANSPORTATION | 268,050 | 40,519 | 38,352 |
| 1106N | 210 | ADMINISTRATION | 34,646 | 41,960 | 27,737 |
| 1106N | 220 | BASE SUPPORT | 35 | | |
| TOTAL SERVICEWIDE SUPPORT | | | 542,316 | 350,100 | 309,284 |

CANCELLED ACCOUNTS

| | | | | | |
|---------------------------------|-----|------------------------------|-----------|--|--|
| 1106N | 230 | CANCELLED ACCOUNT ADJUSTMENT | 82 | | |
| TOTAL CANCELLED ACCOUNTS | | | 82 | | |

BASE SUPPORT

| | | | | | |
|---------------------------|-----|---|---------------|---------------|---------------|
| 1106N | 240 | SUSTAINMENT, RESTORATION, AND MODERNIZATION | 4,723 | 4,079 | 3,151 |
| 1106N | 250 | BASE OPERATING SUPPORT | 17,172 | 17,425 | 12,947 |
| TOTAL BASE SUPPORT | | | 21,895 | 21,504 | 16,098 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

| | | | |
|--|----------------|----------------|----------------|
| Total Operation & Maintenance, Marine Corps | 564,293 | 371,604 | 325,382 |
|--|----------------|----------------|----------------|

| Total Obligational Authority | | |
|-------------------------------------|----------------|----------------|
| (Dollars in Thousands) | | |
| FY 2004 | FY 2005 | FY 2006 |

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

3400F Operation & Maintenance, Air Force

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | | | |
|-----------------------------|-----|---|--------------------|-------------------|-------------------|
| 3400F | 010 | PRIMARY COMBAT FORCES | 3,573,973 | 3,319,439 | 4,043,366 |
| 3400F | 020 | PRIMARY COMBAT WEAPONS | 327,335 | 322,276 | 287,173 |
| 3400F | 030 | COMBAT ENHANCEMENT FORCES | 349,223* | 449,408 | 607,049 |
| 3400F | 040 | AIR OPERATIONS TRAINING (OJT, MAINTAIN SKILLS) | 1,179,457 | 1,199,182 | 1,401,092 |
| 3400F | 050 | COMBAT COMMUNICATIONS | 1,720,472 | 1,278,021 | 1,479,650 |
| 3400F | 060 | DEPOT MAINTENANCE | 1,918,598* | 1,957,140 | 2,057,399 |
| 3400F | 070 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 1,281,099 | 1,019,822 | 1,027,414 |
| 3400F | 080 | BASE SUPPORT | 3,582,814 | 2,243,762 | 2,286,473 |
| TOTAL AIR OPERATIONS | | | 13,932,971* | 11,789,050 | 13,189,616 |

COMBAT RELATED OPERATIONS

| | | | | | |
|--|-----|---|------------------|------------------|------------------|
| 3400F | 090 | GLOBAL C3I AND EARLY WARNING | 1,142,200 | 1,066,657 | 1,201,149 |
| 3400F | 100 | NAVIGATION/WEATHER SUPPORT | 209,911 | 198,216 | 242,433 |
| 3400F | 110 | OTHER COMBAT OPS SPT PROGRAMS | 746,190 | 581,142 | 701,889 |
| 3400F | 120 | JCS EXERCISES | 34,730 | 25,356 | 29,130 |
| 3400F | 130 | MANAGEMENT/OPERATIONAL HQ | 351,533 | 243,924 | 255,866 |
| 3400F | 140 | TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES | 235,967 | 345,756 | 340,755 |
| TOTAL COMBAT RELATED OPERATIONS | | | 2,720,531 | 2,461,051 | 2,771,222 |

SPACE OPERATIONS

| | | | | | |
|-------------------------------|-----|---|------------------|------------------|------------------|
| 3400F | 150 | LAUNCH FACILITIES | 294,734 | 312,873 | 349,313 |
| 3400F | 160 | LAUNCH VEHICLES | 60,304 | 93,216 | 94,113 |
| 3400F | 170 | SPACE CONTROL SYSTEMS | 217,172 | 221,647 | 253,670 |
| 3400F | 180 | SATELLITE SYSTEMS | 54,305 | 64,016 | 73,610 |
| 3400F | 190 | OTHER SPACE OPERATIONS | 250,846 | 250,495 | 277,926 |
| 3400F | 200 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 140,738 | 180,121 | 180,604 |
| 3400F | 210 | BASE SUPPORT | 566,722 | 494,868 | 554,727 |
| TOTAL SPACE OPERATIONS | | | 1,584,821 | 1,617,236 | 1,783,963 |

TOTAL, BA 01: OPERATING FORCES

18,238,323* 15,867,337 17,744,801

BUDGET ACTIVITY 02: MOBILIZATION

MOBILITY OPERATIONS

| | | | | | |
|----------------------------------|-----|---|-------------------|------------------|------------------|
| 3400F | 220 | AIRLIFT OPERATIONS | 3,036,212 | 1,338,703 | 2,660,080 |
| 3400F | 230 | AIRLIFT OPERATIONS C3I | 65,262* | 39,307 | 51,326 |
| 3400F | 240 | MOBILIZATION PREPAREDNESS | 205,470 | 77,365 | 176,764 |
| 3400F | 250 | DEPOT MAINTENANCE | 404,779 | 370,159 | 393,248 |
| 3400F | 260 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 329,688 | 182,497 | 154,650 |
| 3400F | 270 | BASE SUPPORT | 612,234 | 466,792 | 526,338 |
| TOTAL MOBILITY OPERATIONS | | | 4,653,645* | 2,474,823 | 3,962,406 |

TOTAL, BA 02: MOBILIZATION

4,653,645* 2,474,823 3,962,406

* These line items and budget activities differ when compared to the Air Force justification book materials due to a realignment of the Combat Search and Recovery mission within the Air Force program.

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

3400F Operation & Maintenance, Air Force

BUDGET ACTIVITY 03: TRAINING AND RECRUITING

ACCESSION TRAINING

| | | | | | |
|---------------------------------|-----|---|----------------|----------------|----------------|
| 3400F | 280 | OFFICER ACQUISITION | 70,763 | 74,409 | 79,026 |
| 3400F | 290 | RECRUIT TRAINING | 9,049 | 5,577 | 6,411 |
| 3400F | 300 | RESERVE OFFICERS TRAINING CORPS (ROTC) | 79,877 | 84,861 | 99,856 |
| 3400F | 310 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 66,112 | 79,971 | 34,304 |
| 3400F | 320 | BASE SUPPORT | 119,233 | 70,418 | 75,128 |
| TOTAL ACCESSION TRAINING | | | 345,034 | 315,236 | 294,725 |

BASIC SKILLS AND ADVANCED TRAINING

| | | | | | |
|---|-----|---|------------------|------------------|------------------|
| 3400F | 330 | SPECIALIZED SKILL TRAINING | 346,071 | 331,330 | 360,192 |
| 3400F | 340 | FLIGHT TRAINING | 728,946 | 780,428 | 809,154 |
| 3400F | 350 | PROFESSIONAL DEVELOPMENT EDUCATION | 155,721 | 158,651 | 178,515 |
| 3400F | 360 | TRAINING SUPPORT | 105,231 | 105,389 | 112,980 |
| 3400F | 370 | DEPOT MAINTENANCE | 8,836 | 12,892 | 14,095 |
| 3400F | 380 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 200,685 | 186,624 | 157,248 |
| 3400F | 390 | BASE SUPPORT | 541,198 | 565,230 | 588,784 |
| TOTAL BASIC SKILLS AND ADVANCED TRAINING | | | 2,086,688 | 2,140,544 | 2,220,968 |

RECRUITING AND OTHER TRAINING AND EDUCATION

| | | | | | |
|--|-----|----------------------------------|----------------|----------------|----------------|
| 3400F | 400 | RECRUITING AND ADVERTISING | 139,575 | 117,108 | 136,567 |
| 3400F | 410 | EXAMINING | 2,541 | 3,107 | 3,435 |
| 3400F | 420 | OFF-DUTY AND VOLUNTARY EDUCATION | 178,718 | 169,214 | 187,656 |
| 3400F | 430 | CIVILIAN EDUCATION AND TRAINING | 113,167 | 161,732 | 148,557 |
| 3400F | 440 | JUNIOR ROTC | 44,747 | 47,518 | 57,573 |
| TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | | | 478,748 | 498,679 | 533,788 |

TOTAL, BA 03: TRAINING AND RECRUITING

2,910,470 **2,954,459** **3,049,481**

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

LOGISTICS OPERATIONS

| | | | | | |
|-----------------------------------|-----|---|-------------------|------------------|------------------|
| 3400F | 450 | LOGISTICS OPERATIONS | 898,923 | 854,366 | 881,829 |
| 3400F | 460 | TECHNICAL SUPPORT ACTIVITIES | 415,264 | 411,399 | 651,796 |
| 3400F | 470 | SERVICEWIDE TRANSPORTATION | 397,899 | 4,579 | 192,354 |
| 3400F | 480 | DEPOT MAINTENANCE | 148,556* | 72,205 | 48,627 |
| 3400F | 490 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 253,911 | 266,634 | 248,043 |
| 3400F | 500 | BASE SUPPORT | 1,068,295 | 1,073,715 | 1,079,261 |
| TOTAL LOGISTICS OPERATIONS | | | 3,182,848* | 2,682,898 | 3,101,910 |

SERVICEWIDE ACTIVITIES

| | | | | | |
|-------|-----|------------------------------|-----------|---------|---------|
| 3400F | 510 | ADMINISTRATION | 384,470 | 381,908 | 348,301 |
| 3400F | 520 | SERVICE-WIDE COMMUNICATIONS | 346,971 | 360,249 | 533,574 |
| 3400F | 530 | PERSONNEL PROGRAMS | 244,389 | 243,711 | 244,970 |
| 3400F | 540 | RESCUE AND RECOVERY SERVICES | 124,834* | | |
| 3400F | 550 | ARMS CONTROL | 35,987 | 35,664 | 48,071 |
| 3400F | 560 | OTHER SERVICEWIDE ACTIVITIES | 1,405,836 | 682,091 | 709,368 |
| 3400F | 570 | OTHER PERSONNEL SUPPORT | 37,923 | 38,632 | 42,852 |
| 3400F | 580 | CIVIL AIR PATROL | 21,757 | 22,088 | 24,288 |

* These line items and budget activities differ when compared to the Air Force justification book materials due to a realignment of the Combat Search and Recovery mission within the Air Force program.

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

3400F Operation & Maintenance, Air Force

| | | | |
|-------------------------------------|-----|---|--|
| 3400F | 590 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | |
| 3400F | 600 | BASE SUPPORT | |
| TOTAL SERVICEWIDE ACTIVITIES | | | |

| Total Obligational Authority (Dollars in Thousands) | | |
|---|------------------|------------------|
| FY 2004 | FY 2005 | FY 2006 |
| 27,588 | 12,269 | 13,438 |
| 256,873 | 320,754 | 311,498 |
| 2,886,628* | 2,097,366 | 2,276,360 |

SECURITY PROGRAMS

| | | | |
|--------------------------------|-----|-------------------|--|
| 3400F | 610 | SECURITY PROGRAMS | |
| TOTAL SECURITY PROGRAMS | | | |

| | | |
|------------------|------------------|------------------|
| 1,085,711 | 1,026,211 | 1,365,179 |
| 1,085,711 | 1,026,211 | 1,365,179 |

SUPPORT TO OTHER NATIONS

| | | | |
|---------------------------------------|-----|-----------------------|--|
| 3400F | 620 | INTERNATIONAL SUPPORT | |
| TOTAL SUPPORT TO OTHER NATIONS | | | |

| | | |
|---------------|---------------|---------------|
| 23,955 | 25,260 | 20,999 |
| 23,955 | 25,260 | 20,999 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

| | | |
|-------------------|------------------|------------------|
| 7,179,142* | 5,831,735 | 6,764,448 |
|-------------------|------------------|------------------|

Total Operation & Maintenance, Air Force

| | | |
|------------|------------|------------|
| 32,981,580 | 27,128,354 | 31,521,136 |
|------------|------------|------------|

* These line items and budget activities differ when compared to the Air Force justification book materials due to a realignment of the Combat Search and Recovery mission within the Air Force program.

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

0100D Operation & Maintenance, Defense-Wide

BUDGET ACTIVITY 01: OPERATING FORCES

| | | | | |
|--|-----------|------------------|------------------|------------------|
| 0100D 010 JOINT CHIEFS OF STAFF | 559,274 | 488,717 | 580,883 | |
| 0100D 020 SPECIAL OPERATIONS COMMAND | 2,869,350 | 2,334,601 | 2,205,693 | |
| TOTAL, BA 01: OPERATING FORCES | | 3,428,624 | 2,823,318 | 2,786,576 |

BUDGET ACTIVITY 03: TRAINING AND RECRUITING

| | | | | |
|--|---------|----------------|----------------|----------------|
| 0100D 030 DEFENSE ACQUISITION UNIVERSITY | 103,619 | 100,056 | 105,601 | |
| 0100D 040 NATIONAL DEFENSE UNIVERSITY | 89,519 | 91,878 | 67,158 | |
| TOTAL, BA 03: TRAINING AND RECRUITING | | 193,138 | 191,934 | 172,759 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

| | | | | |
|---|-----------|-------------------|-------------------|-------------------|
| 0100D 050 AMERICAN FORCES INFORMATION SERVICE | 135,766 | 135,920 | 147,992 | |
| 0100D 060 CIVIL MILITARY PROGRAMS | 96,942 | 117,232 | 100,468 | |
| 0100D 090 DEFENSE CONTRACT AUDIT AGENCY | 374,169 | 376,643 | 379,947 | |
| 0100D 100 DEFENSE FINANCE AND ACCOUNTING SERVICE | 5,243 | 4,178 | 5,481 | |
| 0100D 120 DEFENSE LEGAL SERVICES | 27,947 | 30,647 | 38,412 | |
| 0100D 130 DEFENSE LOGISTICS AGENCY | 311,215 | 437,603 | 305,835 | |
| 0100D 140 DEFENSE POW/MIA OFFICE | 15,510 | 15,427 | 16,105 | |
| 0100D 150 DEFENSE TECHNOLOGY SECURITY AGENCY | 20,287 | 19,815 | 21,697 | |
| 0100D 160 DEFENSE THREAT REDUCTION AGENCY | 323,428 | 316,070 | 320,099 | |
| 0100D 170 DEPARTMENT OF DEFENSE EDUCATION AGENCY | 1,867,081 | 1,771,874 | 1,769,628 | |
| 0100D 180 DOD HUMAN RESOURCES ACTIVITY | 324,429 | 369,042 | 402,798 | |
| 0100D 190 DEFENSE CONTRACT MANAGEMENT AGENCY | 994,445 | 1,001,937 | 1,044,322 | |
| 0100D 200 DEFENSE INFORMATION SERVICES AGENCY | 1,239,576 | 1,087,842 | 1,045,125 | |
| 0100D 210 DEFENSE SECURITY COOPERATION AGENCY | 1,413,674 | 955,255 | 143,966 | |
| 0100D 220 DEFENSE SECURITY SERVICE | 257,648 | 226,834 | 282,468 | |
| 0100D 240 OFFICE OF ECONOMIC ADJUSTMENT | 57,512 | 88,790 | 30,463 | |
| 0100D 250 OFFICE OF THE SECRETARY OF DEFENSE | 801,744 | 758,893 | 778,858 | |
| 0100D 260 WASHINGTON HEADQUARTERS SERVICE | 452,644 | 547,098 | 473,483 | |
| 0100D 999 OTHER PROGRAMS | 7,984,126 | 7,609,206 | 8,186,987 | |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 16,703,386 | 15,870,306 | 15,494,134 |

Total Operation & Maintenance, Defense-Wide

| Total Obligational Authority (Dollars in Thousands) | | |
|--|----------------|----------------|
| FY 2004 | FY 2005 | FY 2006 |

| | | |
|-------------------|-------------------|-------------------|
| 20,325,148 | 18,885,558 | 18,453,469 |
|-------------------|-------------------|-------------------|

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

0107D Office of the Inspector General

BUDGET ACTIVITY 01: OPERATION & MAINTENANCE

0107D 010 OFFICE OF THE INSPECTOR GENERAL

TOTAL, BA 01: OPERATION & MAINTENANCE

| Total Obligational Authority (Dollars in Thousands) | | |
|--|----------------|----------------|
| FY 2004 | FY 2005 | FY 2006 |

| | | |
|---------|---------|---------|
| 166,895 | 203,762 | 208,687 |
|---------|---------|---------|

| | | |
|----------------|----------------|----------------|
| 166,895 | 203,762 | 208,687 |
|----------------|----------------|----------------|

BUDGET ACTIVITY 02: RDT&E

0107D 020 OFFICE OF THE INSPECTOR GENERAL

TOTAL, BA 02: RDT&E

400

400

BUDGET ACTIVITY 03: PROCUREMENT

0107D 030 OFFICE OF THE INSPECTOR GENERAL

TOTAL, BA 03: PROCUREMENT

| | | |
|-------|-------|-------|
| 4,841 | 2,547 | 1,000 |
|-------|-------|-------|

| | | |
|--------------|--------------|--------------|
| 4,841 | 2,547 | 1,000 |
|--------------|--------------|--------------|

Total Office of the Inspector General

| | | |
|---------|---------|---------|
| 171,736 | 206,709 | 209,687 |
|---------|---------|---------|

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

2080A Operation & Maintenance, Army Reserve

| Total Obligational Authority (Dollars in Thousands) | FY 2004 | FY 2005 | FY 2006 |
|--|----------------|----------------|----------------|
|--|----------------|----------------|----------------|

BUDGET ACTIVITY 01: OPERATING FORCES

LAND FORCES

| | | | |
|--|----------------|----------------|----------------|
| 2080A 010 DIVISIONS | 9,450 | 9,940 | 25,875 |
| 2080A 020 CORPS COMBAT FORCES | 28,748 | 34,607 | 19,133 |
| 2080A 030 CORPS SUPPORT FORCES | 323,945 | 312,526 | 248,116 |
| 2080A 040 EAC SUPPORT FORCES | 130,699 | 147,621 | 129,191 |
| 2080A 050 LAND FORCES OPERATIONS SUPPORT | 451,982 | 446,234 | 372,625 |
| TOTAL LAND FORCES | 944,824 | 950,928 | 794,940 |

LAND FORCES READINESS

| | | | |
|--|----------------|----------------|----------------|
| 2080A 060 FORCE READINESS OPERATIONS SUPPORT | 170,992 | 152,541 | 177,121 |
| 2080A 070 LAND FORCES SYSTEMS READINESS | 65,926 | 65,202 | 81,562 |
| 2080A 080 LAND FORCES DEPOT MAINTENANCE | 62,947 | 71,548 | 97,309 |
| TOTAL LAND FORCES READINESS | 299,865 | 289,291 | 355,992 |

LAND FORCES READINESS SUPPORT

| | | | |
|--|----------------|----------------|----------------|
| 2080A 090 BASE OPERATIONS SUPPORT | 406,360 | 377,512 | 462,716 |
| 2080A 100 FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 141,710 | 202,541 | 204,370 |
| 2080A 110 MISCELLANEOUS ACTIVITIES | 3,321 | 7,512 | 5,763 |
| TOTAL LAND FORCES READINESS SUPPORT | 551,391 | 587,565 | 672,849 |

TOTAL, BA 01: OPERATING FORCES

1,796,080 1,827,784 1,823,781

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | |
|--------------------------------------|----------------|----------------|----------------|
| 2080A 120 ADMINISTRATION | 48,780 | 52,180 | 58,298 |
| 2080A 130 SERVICEWIDE COMMUNICATIONS | 38,690 | 9,116 | 9,293 |
| 2080A 140 MANPOWER MANAGEMENT | 49,764 | 8,201 | 7,577 |
| 2080A 150 RECRUITING AND ADVERTISING | 102,088 | 90,313 | 88,433 |
| TOTAL SERVICEWIDE SUPPORT | 239,322 | 159,810 | 163,601 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

239,322 159,810 163,601

Total Operation & Maintenance, Army Reserve

2,035,402 1,987,594 1,987,382

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

1806N Operation & Maintenance, Navy Reserve

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | | | |
|-----------------------------|-----|-------------------------------------|----------------|----------------|----------------|
| 1806N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 439,708 | 479,871 | 518,962 |
| 1806N | 020 | INTERMEDIATE MAINTENANCE | 18,809 | 16,490 | 16,250 |
| 1806N | 030 | AIR OPERATIONS AND SAFETY SUPPORT | 2,294 | 1,589 | 2,179 |
| 1806N | 040 | AIRCRAFT DEPOT MAINTENANCE | 138,650 | 130,652 | 141,907 |
| 1806N | 050 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 261 | 384 | 374 |
| TOTAL AIR OPERATIONS | | | 599,722 | 628,986 | 679,672 |

SHIP OPERATIONS

| | | | | | |
|------------------------------|-----|------------------------------------|----------------|----------------|----------------|
| 1806N | 060 | MISSION AND OTHER SHIP OPERATIONS | 69,028 | 59,091 | 61,711 |
| 1806N | 070 | SHIP OPERATIONS SUPPORT & TRAINING | 537 | 531 | 537 |
| 1806N | 080 | SHIP DEPOT MAINTENANCE | 77,229 | 91,370 | 71,895 |
| 1806N | 090 | SHIP DEPOT OPERATIONS SUPPORT | 3,677 | 3,330 | 631 |
| TOTAL SHIP OPERATIONS | | | 150,471 | 154,322 | 134,774 |

COMBAT OPERATIONS/SUPPORT

| | | | | | |
|--|-----|-----------------------|----------------|----------------|----------------|
| 1806N | 100 | COMBAT COMMUNICATIONS | | 6,718 | 7,613 |
| 1806N | 110 | COMBAT SUPPORT FORCES | 107,676 | 227,913 | 217,255 |
| TOTAL COMBAT OPERATIONS/SUPPORT | | | 107,676 | 234,631 | 224,868 |

WEAPONS SUPPORT

| | | | | | |
|------------------------------|-----|---------------------|--------------|--------------|--------------|
| 1806N | 120 | WEAPONS MAINTENANCE | 5,517 | 5,548 | 5,070 |
| TOTAL WEAPONS SUPPORT | | | 5,517 | 5,548 | 5,070 |

BASE SUPPORT

| | | | | | |
|---------------------------|-----|--|----------------|----------------|----------------|
| 1806N | 130 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 52,478 | 71,750 | 62,788 |
| 1806N | 140 | BASE OPERATING SUPPORT | 95,141 | 109,093 | 109,878 |
| TOTAL BASE SUPPORT | | | 147,619 | 180,843 | 172,666 |

TOTAL, BA 01: OPERATING FORCES

| Total Obligational Authority (Dollars in Thousands) | | |
|--|----------------|----------------|
| FY 2004 | FY 2005 | FY 2006 |

| | | |
|------------------|------------------|------------------|
| 1,011,005 | 1,204,330 | 1,217,050 |
|------------------|------------------|------------------|

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | | | |
|----------------------------------|-----|--|----------------|---------------|---------------|
| 1806N | 150 | ADMINISTRATION | 15,410 | 6,926 | 4,871 |
| 1806N | 160 | CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT | 2,026 | | |
| 1806N | 170 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 33,600 | 8,790 | 9,037 |
| 1806N | 180 | SERVICEWIDE COMMUNICATIONS | 105,692 | 3,347 | 3,907 |
| 1806N | 190 | COMBAT/WEAPONS SYSTEMS | 5,637 | 5,667 | 5,385 |
| 1806N | 200 | OTHER SERVICE-WIDE SUPPORT | | | 5,445 |
| TOTAL SERVICEWIDE SUPPORT | | | 162,365 | 24,730 | 28,645 |

**Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget**

1806N Operation & Maintenance, Navy Reserve

CANCELLED ACCOUNTS

| | | | |
|---|-----|-------------------------------|------------------|
| 1806N | 210 | CANCELLED ACCOUNT ADJUSTMENTS | 16 |
| TOTAL CANCELLED ACCOUNTS | | | 16 |
| 1806N | 999 | OTHER PROGRAMS | 660 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 163,041 |
| Total Operation & Maintenance, Navy Reserve | | | 1,174,046 |
| | | | 31,241 |
| | | | 28,645 |
| | | | 1,235,571 |
| | | | 1,245,695 |

**Total Obligational Authority
(Dollars in Thousands)**

| FY 2004 | FY 2005 | FY 2006 |
|----------------|----------------|----------------|
|----------------|----------------|----------------|

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

1107N Operation & Maintenance, Marine Corps Reserve

| Total Obligational Authority (Dollars in Thousands) | FY 2004 | FY 2005 | FY 2006 |
|--|---------|---------|---------|
|--|---------|---------|---------|

BUDGET ACTIVITY 01: OPERATING FORCES

EXPEDITIONARY FORCES

| | | | | | |
|-----------------------------------|-----|-------------------|----------------|----------------|---------------|
| 1107N | 010 | OPERATING FORCES | 70,663 | 72,313 | 45,812 |
| 1107N | 020 | DEPOT MAINTENANCE | 10,165 | 11,506 | 13,964 |
| 1107N | 030 | TRAINING SUPPORT | 29,327 | 25,520 | 26,079 |
| TOTAL EXPEDITIONARY FORCES | | | 110,155 | 109,339 | 85,855 |

BASE SUPPORT

| | | | | | |
|---------------------------------------|-----|--|----------------|----------------|----------------|
| 1107N | 040 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 11,620 | 11,943 | 10,105 |
| 1107N | 050 | BASE OPERATING SUPPORT | 28,925 | 32,920 | 70,729 |
| TOTAL BASE SUPPORT | | | 40,545 | 44,863 | 80,834 |
| TOTAL, BA 01: OPERATING FORCES | | | 150,700 | 154,202 | 166,689 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | | | |
|----------------------------------|-----|-----------------------------|---------------|---------------|---------------|
| 1107N | 060 | SPECIAL SUPPORT | 13,692 | 8,938 | 11,975 |
| 1107N | 070 | SERVICE-WIDE TRANSPORTATION | 565 | 816 | 815 |
| 1107N | 080 | ADMINISTRATION | 10,820 | 10,290 | 7,898 |
| 1107N | 090 | RECRUITING AND ADVERTISING | 7,806 | 7,855 | 8,066 |
| TOTAL SERVICEWIDE SUPPORT | | | 32,883 | 27,899 | 28,754 |

BASE SUPPORT

| | | | | | |
|---------------------------|-----|------------------------|--------------|--------------|--------------|
| 1107N | 100 | BASE OPERATING SUPPORT | 5,619 | 4,631 | 4,491 |
| TOTAL BASE SUPPORT | | | 5,619 | 4,631 | 4,491 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

| | | | | | |
|--|--|--|----------------|----------------|----------------|
| Total Operation & Maintenance, Marine Corps Reserve | | | 189,202 | 186,732 | 199,934 |
|--|--|--|----------------|----------------|----------------|

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

3740F Operation & Maintenance, Air Force Reserve

| Total Obligational Authority (Dollars in Thousands) | FY 2004 | FY 2005 | FY 2006 |
|---|----------------|----------------|----------------|
|---|----------------|----------------|----------------|

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | |
|---|------------------|------------------|------------------|
| 3740F 010 PRIMARY COMBAT FORCES | 1,094,850 | 1,335,775 | 1,585,504 |
| 3740F 020 MISSION SUPPORT OPERATIONS | 104,808 | 74,722 | 85,545 |
| 3740F 030 DEPOT MAINTENANCE | 245,138 | 407,622 | 377,817 |
| 3740F 040 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 153,633 | 55,345 | 55,764 |
| 3740F 050 BASE SUPPORT | 332,498 | 257,001 | 288,387 |
| TOTAL AIR OPERATIONS | 1,930,927 | 2,130,465 | 2,393,017 |
| TOTAL, BA 01: OPERATING FORCES | 1,930,927 | 2,130,465 | 2,393,017 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE ACTIVITIES

| | | | |
|---|------------------|------------------|------------------|
| 3740F 060 ADMINISTRATION | 66,862 | 61,699 | 64,017 |
| 3740F 070 RECRUITING AND ADVERTISING | 19,724 | 14,473 | 15,854 |
| 3740F 080 MILITARY MANPOWER AND PERS MGMT (ARPC) | 21,946 | 25,451 | 21,095 |
| 3740F 090 OTHER PERS SUPPORT (DISABILITY COMP) | 7,564 | 6,704 | 7,052 |
| 3740F 100 AUDIOVISUAL | 880 | 641 | 651 |
| TOTAL SERVICEWIDE ACTIVITIES | 116,976 | 108,968 | 108,669 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 116,976 | 108,968 | 108,669 |
| Total Operation & Maintenance, Air Force Reserve | 2,047,903 | 2,239,433 | 2,501,686 |

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

2065A Operation & Maintenance, Army National Guard

| Total Obligational Authority (Dollars in Thousands) | FY 2004 | FY 2005 | FY 2006 |
|--|---------|---------|---------|
|--|---------|---------|---------|

BUDGET ACTIVITY 01: OPERATING FORCES

LAND FORCES

| | | | |
|--|------------------|------------------|------------------|
| 2065A 010 DIVISIONS | 594,348 | 554,134 | 600,818 |
| 2065A 020 CORPS COMBAT FORCES | 563,159 | 619,787 | 530,869 |
| 2065A 030 CORPS SUPPORT FORCES | 276,352 | 328,271 | 322,856 |
| 2065A 040 EAC SUPPORT FORCES | 592,521 | 552,961 | 606,026 |
| 2065A 050 LAND FORCES OPERATIONS SUPPORT | 31,805 | 25,086 | 26,077 |
| TOTAL LAND FORCES | 2,058,185 | 2,080,239 | 2,086,646 |

LAND FORCES READINESS

| | | | |
|--|----------------|----------------|----------------|
| 2065A 060 FORCE READINESS OPERATIONS SUPPORT | 155,482 | 180,163 | 227,670 |
| 2065A 070 LAND FORCES SYSTEMS READINESS | 138,091 | 144,614 | 126,496 |
| 2065A 080 LAND FORCES DEPOT MAINTENANCE | 190,556 | 230,567 | 255,367 |
| TOTAL LAND FORCES READINESS | 484,129 | 555,344 | 609,533 |

LAND FORCES READINESS SUPPORT

| | | | |
|--|------------------|------------------|------------------|
| 2065A 090 BASE OPERATIONS SUPPORT | 721,428 | 585,928 | 610,219 |
| 2065A 100 FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 319,105 | 396,684 | 391,544 |
| 2065A 110 MANAGEMENT AND OPERATIONAL HQ | 447,610 | 451,167 | 406,794 |
| 2065A 120 MISCELLANEOUS ACTIVITIES | 76,668 | 87,456 | 65,363 |
| TOTAL LAND FORCES READINESS SUPPORT | 1,564,811 | 1,521,235 | 1,473,920 |

TOTAL, BA 01: OPERATING FORCES

| | | | |
|---------------------------------------|------------------|------------------|------------------|
| TOTAL, BA 01: OPERATING FORCES | 4,107,125 | 4,156,818 | 4,170,099 |
|---------------------------------------|------------------|------------------|------------------|

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | |
|--------------------------------------|----------------|----------------|----------------|
| 2065A 130 ADMINISTRATION | 123,269 | 120,569 | 111,552 |
| 2065A 140 SERVICEWIDE COMMUNICATIONS | 24,943 | 35,841 | 52,814 |
| 2065A 150 MANPOWER MANAGEMENT | 43,723 | 35,576 | 50,653 |
| 2065A 160 RECRUITING AND ADVERTISING | 159,857 | 101,214 | 124,601 |
| TOTAL SERVICEWIDE SUPPORT | 351,792 | 293,200 | 339,620 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

| | | | |
|---|----------------|----------------|----------------|
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 351,792 | 293,200 | 339,620 |
|---|----------------|----------------|----------------|

Total Operation & Maintenance, Army National Guard

| | | | |
|---|------------------|------------------|------------------|
| Total Operation & Maintenance, Army National Guard | 4,458,917 | 4,450,018 | 4,509,719 |
|---|------------------|------------------|------------------|

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

3840F Operation & Maintenance, Air National Guard

| Total Obligational Authority (Dollars in Thousands) | FY 2004 | FY 2005 | FY 2006 |
|--|---------|---------|---------|
|--|---------|---------|---------|

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | | | |
|---------------------------------------|-----|---|------------------|------------------|------------------|
| 3840F | 010 | AIRCRAFT OPERATIONS | 2,526,071 | 2,641,335 | 2,938,127 |
| 3840F | 020 | MISSION SUPPORT OPERATIONS | 610,992 | 371,002 | 497,447 |
| 3840F | 030 | DEPOT MAINTENANCE | 665,868 | 749,506 | 612,807 |
| 3840F | 040 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 215,808 | 230,884 | 169,791 |
| 3840F | 050 | BASE SUPPORT | 443,617 | 434,136 | 467,517 |
| TOTAL AIR OPERATIONS | | | 4,462,356 | 4,426,863 | 4,685,689 |
| TOTAL, BA 01: OPERATING FORCES | | | 4,462,356 | 4,426,863 | 4,685,689 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE ACTIVITIES

| | | | | | |
|---|-----|----------------------------|------------------|------------------|------------------|
| 3840F | 060 | ADMINISTRATION | 27,128 | 27,686 | 28,949 |
| 3840F | 070 | RECRUITING AND ADVERTISING | 20,293 | 9,320 | 9,453 |
| TOTAL SERVICEWIDE ACTIVITIES | | | 47,421 | 37,006 | 38,402 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 47,421 | 37,006 | 38,402 |
| Total Operation & Maintenance, Air National Guard | | | 4,509,777 | 4,463,869 | 4,724,091 |

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

0105D Drug Interdiction & Counter-Drug Act., Def.

BUDGET ACTIVITY 01: OPERATING FORCES

0105D 010 DRUG ENFORCEMENT AND POLICY SUPPORT

TOTAL, BA 01: OPERATING FORCES

Total Drug Interdiction & Counter-Drug Act., Def.

Total Obligational Authority
(Dollars in Thousands)

FY 2004 FY 2005 FY 2006

906,522 895,741

906,522 895,741

906,522 895,741

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

0130D Defense Health Program

BUDGET ACTIVITY 01: OPERATION & MAINTENANCE

| | | | | |
|-------|----------------------------|------------|------------|------------|
| 0130D | 010 DEFENSE HEALTH PROGRAM | 16,978,868 | 17,302,504 | 19,247,137 |
|-------|----------------------------|------------|------------|------------|

TOTAL, BA 01: OPERATION & MAINTENANCE

Total Obligational Authority

(Dollars in Thousands)

| <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|-----------------------|-----------------------|-----------------------|
|-----------------------|-----------------------|-----------------------|

BUDGET ACTIVITY 02: RDT&E

| | | | | |
|-------|----------------------------|---------|---------|---------|
| 0130D | 020 DEFENSE HEALTH PROGRAM | 486,346 | 506,982 | 169,156 |
|-------|----------------------------|---------|---------|---------|

TOTAL, BA 02: RDT&E

| | | |
|----------------|----------------|----------------|
| 486,346 | 506,982 | 169,156 |
|----------------|----------------|----------------|

BUDGET ACTIVITY 03: PROCUREMENT

| | | | | |
|-------|----------------------------|---------|---------|---------|
| 0130D | 030 DEFENSE HEALTH PROGRAM | 304,250 | 367,035 | 375,319 |
|-------|----------------------------|---------|---------|---------|

TOTAL, BA 03: PROCUREMENT

| | | |
|----------------|----------------|----------------|
| 304,250 | 367,035 | 375,319 |
|----------------|----------------|----------------|

Total Defense Health Program

| | | |
|-------------------|-------------------|-------------------|
| 17,769,464 | 18,176,521 | 19,791,612 |
|-------------------|-------------------|-------------------|

Department of Defense
Exhibit O-1
FY 2006/2007 Presidential Budget

| Total Obligational Authority (Dollars in Thousands) | | | | |
|--|-----|--|----------------|------------------|
| | | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
| <u>Transfer Accounts</u> | | | | |
| 0810A | 010 | DEFENSE ENVIRONMENTAL RESTORATION FUND | 399,955 | 407,865 |
| 0810N | 020 | ENVIRONMENTAL RESTORATION FUND, NAVY | 266,159 | 305,275 |
| 0810F | 030 | ENVIRONMENTAL RESTORATION FUND, AIR FORCE | 396,384 | 406,461 |
| 0810D | 040 | ENVIRONMENTAL RESTORATION FUND, DEFENSE | 23,625 | 28,167 |
| 0811D | 050 | ENVIRONMENTAL RESTORATION USED SITES | 265,856 | 221,921 |
| Total Transfer Accounts | | | | 1,351,979 |
| 1,369,689 | | | | |
| <u>Miscellaneous Appropriations</u> | | | | |
| 0104D | 060 | US COURT OF APPEALS FOR THE ARMED FORCES | 10,278 | 10,798 |
| 0838D | 070 | SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS | 651 | 505 |
| 0118D | 080 | OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | 9,975 | 20,000 |
| 4965D | 090 | EMERGENCY RESPONSE FUND, DEFENSE | 10,296 | 6,000 |
| 0833D | 100 | EMERGENCY RESPONSE FUND, DEFENSE | 28,220 | |
| 0833D | 110 | EMERGENCY RESPONSE FUND, DEFENSE | 14,807 | |
| 0833D | 120 | EMERGENCY RESPONSE FUND, DEFENSE | 77,460 | |
| 0141D | 130 | IRAQ FREEDOM FUND, DEF | 2,144,639 | |
| 0819D | 140 | OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 92,188 | 58,854 |
| 1236N | 150 | KAHO'OLAE | 20,384 | 61,546 |
| 0134D | 160 | FORMER SOVIET UNION (FSU) THREAT REDUCTION | 448,645 | 408,186 |
| Total Miscellaneous Appropriations | | | | 702,929 |
| 2,638,957 | | | | 514,836 |

OPERATION AND MAINTENANCE PROGRAMS (O-1A)



Department of Defense Budget

Fiscal Year 2006

February 2005

Office of the Under Secretary of Defense (Comptroller)

Table of Contents

Exhibit O-1A

**Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287),
Military Construction Appropriations and Emergency Hurricane Supplemental Appropriations Act, 2005
(P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.**

| <u>Appropriation</u> | <u>Page</u> |
|---|-------------|
| Appropriation Summary | 1 |
| Operation and Maintenance, Army | 3 |
| Operation and Maintenance, Navy | 5 |
| Operation and Maintenance, Marine Corps | 8 |
| Operation and Maintenance, Air Force | 10 |
| Operation and Maintenance, Defense-Wide | 13 |
| Office of the Inspector General | 14 |
| Operation and Maintenance, Army Reserve | 15 |
| Operation and Maintenance, Navy Reserve | 16 |
| Operation and Maintenance, Marine Corps Reserve | 18 |
| Operation and Maintenance, Air Force Reserve | 19 |
| Operation and Maintenance, Army National Guard | 20 |
| Operation and Maintenance, Air National Guard | 21 |
| Drug Interdiction & Counter-Drug Account | 22 |
| Defense Health Program | 23 |
| Transfer Accounts | 24 |
| Miscellaneous Appropriations | 24 |

This document is available to the public on the Internet at
<http://www.dod.mil/comptroller/defbudget/fy2006/index.html#>

Department of Defense
Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| <u>Appropriation Summary</u> | Total Obligational Authority (Dollars in Thousands) | | |
|---|---|-------------------|-------------------|
| | FY 2004 | FY 2005 | FY 2006 |
| <u>Department of the Army</u> | | | |
| OPERATION & MAINTENANCE, ARMY | 55,870,768 | 25,289,678 | 25,316,595 |
| OPERATION & MAINTENANCE, ARMY RESERVE | 2,035,402 | 1,986,194 | 1,987,382 |
| OPERATION & MAINTENANCE, ARMY NATIONAL GUARD | 4,458,917 | 4,438,118 | 4,509,719 |
| Total Department of the Army | 62,365,087 | 31,713,990 | 31,813,696 |
| <u>Department of the Navy</u> | | | |
| OPERATION & MAINTENANCE, NAVY | 30,288,065 | 29,094,198 | 30,759,889 |
| OPERATION & MAINTENANCE, MARINE CORPS | 4,969,296 | 3,567,646 | 3,804,926 |
| OPERATION & MAINTENANCE, NAVY RESERVE | 1,174,046 | 1,234,571 | 1,245,695 |
| OPERATION & MAINTENANCE, MARINE CORPS RESERVE | 189,202 | 186,732 | 199,934 |
| Total Department of the Navy | 36,620,609 | 34,083,147 | 36,010,444 |
| <u>Department of the Air Force</u> | | | |
| OPERATION & MAINTENANCE, AIR FORCE | 32,981,580 | 26,540,373 | 31,521,136 |
| OPERATION & MAINTENANCE, AIR FORCE RESERVE | 2,047,903 | 2,237,033 | 2,501,686 |
| OPERATION & MAINTENANCE, AIR NATIONAL GUARD | 4,509,777 | 4,461,669 | 4,724,091 |
| Total Department of the Air Force | 39,539,260 | 33,239,075 | 38,746,913 |
| <u>Defense-Wide</u> | | | |
| OPERATION & MAINTENANCE, DEFENSE-WIDE | 20,325,148 | 17,947,944 | 18,453,469 |
| OFFICE OF THE INSPECTOR GENERAL | 171,736 | 206,709 | 209,687 |
| DRUG INTERDICTION & COUNTER-DRUG ACT., DEF. | | 906,522 | 895,741 |
| DEFENSE HEALTH PROGRAM | 17,769,464 | 18,176,521 | 19,791,612 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| <u>Appropriation Summary</u> | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|--------------------|--------------------|
| | FY 2004 | FY 2005 | FY 2006 |
| <u>Transfer Accounts and Miscellaneous</u> | | | |
| ENVIRONMENTAL RESTORATION FUND, ARMY | 399,955 | 407,865 | |
| ENVIRONMENTAL RESTORATION FUND, NAVY | 266,159 | 305,275 | |
| ENVIRONMENTAL RESTORATION FUND, AIR FORCE | 396,384 | 406,461 | |
| ENVIRONMENTAL RESTORATION FUND, DEFENSE | 23,625 | 28,167 | |
| ENVIRONMENTAL RESTORATION USED SITES | 265,856 | 221,921 | |
| PAYMENT TO KAHO'OLAE ISLAND FUND | 20,384 | | |
| US COURT OF APPEALS FOR THE ARMED FORCES | 10,278 | 10,798 | 11,236 |
| SUPPORT OF INT'L SPORTING COMPETITIONS, DEFENSE | 651 | 505 | 505 |
| OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | | 9,975 | 20,000 |
| EMERGENCY RESPONSE FUND | 10,296 | 6,000 | 6,000 |
| EMERGENCY RESPONSE FUND, DEFENSE | 120,487 | | |
| IRAQ FREEDOM FUND, DEFENSE | | 2,144,639 | |
| OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 92,188 | 58,854 | 61,546 |
| FORMER SOVIET UNION (FSU) THREAT REDUCTION | 448,645 | 408,186 | 415,549 |
| Total Miscellaneous | 702,929 | 3,990,936 | 1,884,525 |
| Total Operation and Maintenance Title: | 177,494,233 | 140,264,844 | 147,806,087 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

2020A Operation & Maintenance, Army

BUDGET ACTIVITY 01: OPERATING FORCESLAND FORCES

| | | | | | |
|--------------------------|-----|--------------------------------|------------------|------------------|------------------|
| 2020A | 010 | DIVISIONS | 1,597,889 | 1,540,275 | 866,129 |
| 2020A | 020 | CORPS COMBAT FORCES | 399,486 | 481,905 | 430,353 |
| 2020A | 030 | CORPS SUPPORT FORCES | 447,076 | 382,653 | 351,673 |
| 2020A | 040 | EAC SUPPORT FORCES | 562,060 | 970,657 | 951,681 |
| 2020A | 050 | LAND FORCES OPERATIONS SUPPORT | 938,178 | 1,188,085 | 1,260,976 |
| TOTAL LAND FORCES | | | 3,944,689 | 4,563,575 | 3,860,812 |

LAND FORCES READINESS

| | | | | | |
|------------------------------------|-----|------------------------------------|------------------|------------------|------------------|
| 2020A | 060 | FORCE READINESS OPERATIONS SUPPORT | 1,724,135 | 1,766,903 | 1,870,382 |
| 2020A | 070 | LAND FORCES SYSTEMS READINESS | 582,228 | 515,442 | 615,063 |
| 2020A | 080 | LAND FORCES DEPOT MAINTENANCE | 2,000,527 | 1,016,766 | 1,229,926 |
| TOTAL LAND FORCES READINESS | | | 4,306,890 | 3,299,111 | 3,715,371 |

LAND FORCES READINESS SUPPORT

| | | | | | |
|--|-----|--|-------------------|------------------|------------------|
| 2020A | 090 | BASE OPERATIONS SUPPORT | 5,948,832 | 5,400,304 | 5,347,826 |
| 2020A | 100 | FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 1,234,381 | 1,830,163 | 1,825,518 |
| 2020A | 110 | MANAGEMENT AND OPERATIONAL HQ | 231,511 | 252,762 | 220,288 |
| 2020A | 120 | UNIFIED COMMANDS | 105,856 | 110,920 | 102,343 |
| 2020A | 130 | MISCELLANEOUS ACTIVITIES | 28,256,493 | 233,558 | 230,202 |
| TOTAL LAND FORCES READINESS SUPPORT | | | 35,777,073 | 7,827,707 | 7,726,177 |

TOTAL, BA 01: OPERATING FORCES

| | | |
|-------------------|-------------------|-------------------|
| 44,028,652 | 15,690,393 | 15,302,360 |
|-------------------|-------------------|-------------------|

BUDGET ACTIVITY 02: MOBILIZATIONMOBILITY OPERATIONS

| | | | | | |
|----------------------------------|-----|----------------------------|----------------|----------------|----------------|
| 2020A | 140 | STRATEGIC MOBILITY | 258,255 | 294,037 | 248,241 |
| 2020A | 150 | ARMY PREPOSITIONING STOCKS | 270,257 | 102,504 | 99,917 |
| 2020A | 160 | INDUSTRIAL PREPAREDNESS | 7,708 | 15,747 | 8,833 |
| TOTAL MOBILITY OPERATIONS | | | 536,220 | 412,288 | 356,991 |

TOTAL, BA 02: MOBILIZATION

| | | |
|----------------|----------------|----------------|
| 536,220 | 412,288 | 356,991 |
|----------------|----------------|----------------|

BUDGET ACTIVITY 03: TRAINING AND RECRUITINGACCESSION TRAINING

| | | | | | |
|---------------------------------|-----|--|----------------|----------------|----------------|
| 2020A | 170 | OFFICER ACQUISITION | 97,173 | 99,910 | 103,722 |
| 2020A | 180 | RECRUIT TRAINING | 60,188 | 22,341 | 32,125 |
| 2020A | 190 | ONE STATION UNIT TRAINING | 55,658 | 42,837 | 36,538 |
| 2020A | 200 | SENIOR RESERVE OFFICERS TRAINING CORPS | 209,625 | 227,575 | 270,351 |
| TOTAL ACCESSION TRAINING | | | 422,644 | 392,663 | 442,736 |

BASIC SKILLS AND ADVANCED TRAINING

| | | | | | |
|-------|-----|------------------------------------|---------|---------|---------|
| 2020A | 210 | SPECIALIZED SKILL TRAINING | 436,171 | 477,302 | 510,526 |
| 2020A | 220 | FLIGHT TRAINING | 557,199 | 580,575 | 635,105 |
| 2020A | 230 | PROFESSIONAL DEVELOPMENT EDUCATION | 91,688 | 102,575 | 114,854 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|---|--|--|-------------------|-------------------|
| | | | | FY 2004 | FY 2005 | FY 2006 |
| 2020A Operation & Maintenance, Army | | | | | | |
| 2020A | 240 | TRAINING SUPPORT | | 578,827 | 585,421 | 668,981 |
| | | TOTAL BASIC SKILLS AND ADVANCED TRAINING | | 1,663,885 | 1,745,873 | 1,929,466 |
| RECRUITING AND OTHER TRAINING AND EDUCATION | | | | | | |
| 2020A | 250 | RECRUITING AND ADVERTISING | | 455,655 | 454,058 | 481,868 |
| 2020A | 260 | EXAMINING | | 105,769 | 129,150 | 121,937 |
| 2020A | 270 | OFF-DUTY AND VOLUNTARY EDUCATION | | 249,033 | 289,283 | 262,410 |
| 2020A | 280 | CIVILIAN EDUCATION AND TRAINING | | 130,848 | 115,508 | 154,232 |
| 2020A | 290 | JUNIOR ROTC | | 125,894 | 135,166 | 141,416 |
| | | TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | | 1,067,199 | 1,123,165 | 1,161,863 |
| | | TOTAL, BA 03: TRAINING AND RECRUITING | | 3,153,728 | 3,261,701 | 3,534,065 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | | |
| SECURITY PROGRAMS | | | | | | |
| 2020A | 300 | SECURITY PROGRAMS | | 915,768 | 896,110 | 919,796 |
| | | TOTAL SECURITY PROGRAMS | | 915,768 | 896,110 | 919,796 |
| LOGISTICS OPERATIONS | | | | | | |
| 2020A | 310 | SERVICEWIDE TRANSPORTATION | | 1,531,141 | 519,864 | 581,060 |
| 2020A | 320 | CENTRAL SUPPLY ACTIVITIES | | 480,983 | 492,301 | 570,178 |
| 2020A | 330 | LOGISTIC SUPPORT ACTIVITIES | | 485,210 | 479,571 | 389,696 |
| 2020A | 340 | AMMUNITION MANAGEMENT | | 380,363 | 359,019 | 354,162 |
| | | TOTAL LOGISTICS OPERATIONS | | 2,877,697 | 1,850,755 | 1,895,096 |
| SERVICEWIDE SUPPORT | | | | | | |
| 2020A | 350 | ADMINISTRATION | | 1,231,694 | 667,308 | 606,588 |
| 2020A | 360 | SERVICEWIDE COMMUNICATIONS | | 672,585 | 710,868 | 850,053 |
| 2020A | 370 | MANPOWER MANAGEMENT | | 220,233 | 245,145 | 238,344 |
| 2020A | 380 | OTHER PERSONNEL SUPPORT | | 228,202 | 194,225 | 189,720 |
| 2020A | 390 | OTHER SERVICE SUPPORT | | 1,519,763 | 884,010 | 850,059 |
| 2020A | 400 | ARMY CLAIMS ACTIVITIES | | 86,967 | 107,869 | 197,361 |
| 2020A | 410 | REAL ESTATE MANAGEMENT | | 54,568 | 58,857 | 45,451 |
| | | TOTAL SERVICEWIDE SUPPORT | | 4,014,012 | 2,868,282 | 2,977,576 |
| SUPPORT OF OTHER NATIONS | | | | | | |
| 2020A | 420 | SUPPORT OF NATO OPERATIONS | | 284,243 | 249,963 | 289,447 |
| 2020A | 430 | MISC. SUPPORT OF OTHER NATIONS | | 57,448 | 60,186 | 41,264 |
| | | TOTAL SUPPORT OF OTHER NATIONS | | 341,691 | 310,149 | 330,711 |
| JUDGMENT FUND | | | | | | |
| 2020A | 440 | JUDGMENT FUND | | 3,000 | | |
| | | TOTAL JUDGMENT FUND | | 3,000 | | |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 8,152,168 | 5,925,296 | 6,123,179 |
| | | Total Operation & Maintenance, Army | | 55,870,768 | 25,289,678 | 25,316,595 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

1804N Operation & Maintenance, Navy

Total Obligational Authority
(Dollars in Thousands)

| FY 2004 | FY 2005 | FY 2006 |
|---------|---------|---------|
|---------|---------|---------|

BUDGET ACTIVITY 01: OPERATING FORCESAIR OPERATIONS

| | | | | | |
|-----------------------------|-----|-------------------------------------|------------------|------------------|------------------|
| 1804N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 3,365,553 | 2,945,844 | 3,574,529 |
| 1804N | 020 | FLEET AIR TRAINING | 1,119,630 | 1,035,988 | 857,918 |
| 1804N | 030 | INTERMEDIATE MAINTENANCE | 77,867 | 65,727 | 58,661 |
| 1804N | 040 | AIR OPERATIONS AND SAFETY SUPPORT | 131,222 | 108,590 | 114,331 |
| 1804N | 050 | AIR SYSTEMS SUPPORT | | 463,980 | 473,514 |
| 1804N | 060 | AIRCRAFT DEPOT MAINTENANCE | 1,023,020 | 1,115,297 | 961,921 |
| 1804N | 070 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 57,393 | 70,316 | 124,133 |
| TOTAL AIR OPERATIONS | | | 5,774,685 | 5,805,742 | 6,165,007 |

SHIP OPERATIONS

| | | | | | |
|------------------------------|-----|------------------------------------|------------------|------------------|------------------|
| 1804N | 080 | MISSION AND OTHER SHIP OPERATIONS | 2,755,119 | 2,546,439 | 2,999,986 |
| 1804N | 090 | SHIP OPERATIONS SUPPORT & TRAINING | 641,470 | 614,549 | 588,395 |
| 1804N | 100 | SHIP DEPOT MAINTENANCE | 3,921,770 | 3,870,769 | 3,967,408 |
| 1804N | 110 | SHIP DEPOT OPERATIONS SUPPORT | 1,146,747 | 1,030,087 | 833,251 |
| TOTAL SHIP OPERATIONS | | | 8,465,106 | 8,061,844 | 8,389,040 |

COMBAT OPERATIONS/SUPPORT

| | | | | | |
|--|-----|--|------------------|------------------|------------------|
| 1804N | 120 | COMBAT COMMUNICATIONS | 401,811 | 305,085 | 298,100 |
| 1804N | 130 | ELECTRONIC WARFARE | 13,661 | 16,427 | 18,422 |
| 1804N | 140 | SPACE SYSTEMS AND SURVEILLANCE | 173,889 | 134,106 | 156,814 |
| 1804N | 150 | WARFARE TACTICS | 300,797 | 285,316 | 367,830 |
| 1804N | 160 | OPERATIONAL METEOROLOGY AND OCEANOGRAPHY | 254,629 | 253,859 | 259,807 |
| 1804N | 170 | COMBAT SUPPORT FORCES | 1,459,402 | 1,314,706 | 1,321,953 |
| 1804N | 180 | EQUIPMENT MAINTENANCE | 170,251 | 182,141 | 172,958 |
| 1804N | 190 | DEPOT OPERATIONS SUPPORT | 2,616 | 3,186 | 3,703 |
| TOTAL COMBAT OPERATIONS/SUPPORT | | | 2,777,056 | 2,494,826 | 2,599,587 |

WEAPONS SUPPORT

| | | | | | |
|------------------------------|-----|------------------------------------|------------------|------------------|------------------|
| 1804N | 200 | CRUISE MISSILE | 148,045 | 151,787 | 181,294 |
| 1804N | 210 | FLEET BALLISTIC MISSILE | 794,448 | 814,517 | 830,094 |
| 1804N | 220 | IN-SERVICE WEAPONS SYSTEMS SUPPORT | 43,194 | 50,377 | 69,722 |
| 1804N | 230 | WEAPONS MAINTENANCE | 440,450 | 456,343 | 473,584 |
| TOTAL WEAPONS SUPPORT | | | 1,426,137 | 1,473,024 | 1,554,694 |

WORKING CAPITAL FUND SUPPORT

| | | | | |
|---|-----|--------------|-----------------|-----------------|
| 1804N | 240 | NWCF SUPPORT | -447,755* | -150,000** |
| TOTAL WORKING CAPITAL FUND SUPPORT | | | -447,755 | -150,000 |

BASE SUPPORT

| | | | | | |
|---------------------------|-----|--|------------------|------------------|------------------|
| 1804N | 250 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 1,060,016 | 1,319,180 | 1,344,971 |
| 1804N | 260 | BASE OPERATING SUPPORT | 3,331,661 | 3,186,525 | 3,417,244 |
| TOTAL BASE SUPPORT | | | 4,391,677 | 4,505,705 | 4,762,215 |

TOTAL, BA 01: OPERATING FORCES

22,386,906 22,191,141 23,470,543

* Transfer from Navy Working Capital Fund as enacted in Public Law 108-87, Department of Defense Appropriation Act, 2004, to fully fund Operation and Maintenance, Navy Program.

** Public Law 108-287, Department of Defense Appropriations Act, 2005, Section 8107, reduced amounts appropriated to reflect cash balance and rate stabilization adjustments in the DoD Working Capital Funds.

Department of Defense
Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

1804N Operation & Maintenance, Navy

| Total Obligational Authority (Dollars in Thousands) | | |
|---|----------------|----------------|
| FY 2004 | FY 2005 | FY 2006 |

BUDGET ACTIVITY 02: MOBILIZATION

READY RESERVE AND PREPOSITIONING FORCE

| | | | | | |
|---|-----|-------------------------------|----------------|----------------|----------------|
| 1804N | 270 | SHIP PREPOSITIONING AND SURGE | 536,411 | 532,902 | 533,527 |
| TOTAL READY RESERVE AND PREPOSITIONING FORCE | | | 536,411 | 532,902 | 533,527 |

ACTIVATIONS/INACTIVATIONS

| | | | | | |
|--|-----|------------------------------------|----------------|----------------|----------------|
| 1804N | 280 | AIRCRAFT ACTIVATIONS/INACTIVATIONS | 8,101 | 7,604 | 3,158 |
| 1804N | 290 | SHIP ACTIVATIONS/INACTIVATIONS | 132,480 | 219,867 | 125,629 |
| TOTAL ACTIVATIONS/INACTIVATIONS | | | 140,581 | 227,471 | 128,787 |

MOBILIZATION PREPARATION

| | | | | | |
|---------------------------------------|-----|------------------------|---------------|---------------|---------------|
| 1804N | 300 | FLEET HOSPITAL PROGRAM | 27,397 | 25,388 | 28,245 |
| 1804N | 310 | INDUSTRIAL READINESS | 2,106 | 1,507 | 1,653 |
| 1804N | 320 | COAST GUARD SUPPORT | 16,401 | 16,981 | 19,879 |
| TOTAL MOBILIZATION PREPARATION | | | 45,904 | 43,876 | 49,777 |

TOTAL, BA 02: MOBILIZATION

| | | |
|---------|---------|---------|
| 722,896 | 804,249 | 712,091 |
|---------|---------|---------|

BUDGET ACTIVITY 03: TRAINING AND RECRUITING

ACCESSION TRAINING

| | | | | | |
|---------------------------------|-----|---------------------------------|----------------|----------------|----------------|
| 1804N | 330 | OFFICER ACQUISITION | 118,286 | 118,455 | 123,975 |
| 1804N | 340 | RECRUIT TRAINING | 10,266 | 7,618 | 10,153 |
| 1804N | 350 | RESERVE OFFICERS TRAINING CORPS | 91,454 | 99,436 | 103,539 |
| TOTAL ACCESSION TRAINING | | | 220,006 | 225,509 | 237,667 |

BASIC SKILLS AND ADVANCED TRAINING

| | | | | | |
|---|-----|------------------------------------|------------------|------------------|------------------|
| 1804N | 360 | SPECIALIZED SKILL TRAINING | 423,884 | 426,717 | 494,195 |
| 1804N | 370 | FLIGHT TRAINING | 395,639 | 416,368 | 364,692 |
| 1804N | 380 | PROFESSIONAL DEVELOPMENT EDUCATION | 117,581 | 121,712 | 134,935 |
| 1804N | 390 | TRAINING SUPPORT | 242,174 | 234,387 | 243,596 |
| TOTAL BASIC SKILLS AND ADVANCED TRAINING | | | 1,179,278 | 1,199,184 | 1,237,418 |

RECRUITING AND OTHER TRAINING AND EDUCATION

| | | | | | |
|--|-----|----------------------------------|----------------|----------------|----------------|
| 1804N | 400 | RECRUITING AND ADVERTISING | 234,087 | 279,478 | 282,293 |
| 1804N | 410 | OFF-DUTY AND VOLUNTARY EDUCATION | 126,744 | 142,126 | 155,646 |
| 1804N | 420 | CIVILIAN EDUCATION AND TRAINING | 69,235 | 66,884 | 70,983 |
| 1804N | 430 | JUNIOR ROTC | 39,798 | 39,743 | 42,875 |
| TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | | | 469,864 | 528,231 | 551,797 |

TOTAL, BA 03: TRAINING AND RECRUITING

| | | |
|-----------|-----------|-----------|
| 1,869,148 | 1,952,924 | 2,026,882 |
|-----------|-----------|-----------|

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | | | |
|-------|-----|--|---------|---------|---------|
| 1804N | 440 | ADMINISTRATION | 746,071 | 778,795 | 739,521 |
| 1804N | 450 | EXTERNAL RELATIONS | 4,048 | 3,224 | 3,517 |
| 1804N | 460 | CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT | 103,812 | 103,805 | 100,751 |
| 1804N | 470 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 225,557 | 188,162 | 212,813 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | | Total Obligational Authority (Dollars in Thousands) |
|---|-----|---|-------------------|--|
| | | FY 2004 | FY 2005 | FY 2006 |
| 1804N Operation & Maintenance, Navy | | | | |
| 1804N | 480 | OTHER PERSONNEL SUPPORT | 292,824 | 243,962 |
| 1804N | 490 | SERVICEWIDE COMMUNICATIONS | 607,583 | 551,467 |
| 1804N | 500 | MEDICAL ACTIVITIES | 20,966 | 773,261 |
| | | TOTAL SERVICEWIDE SUPPORT | 2,000,861 | 1,869,415 |
| LOGISTICS OPERATIONS AND TECHNICAL SUPPORT | | | | |
| 1804N | 510 | SERVICEWIDE TRANSPORTATION | 325,818 | 158,143 |
| 1804N | 520 | ENVIRONMENTAL PROGRAMS | 254,857 | 188,257 |
| 1804N | 530 | PLANNING, ENGINEERING AND DESIGN | 248,227 | 277,121 |
| 1804N | 540 | ACQUISITION AND PROGRAM MANAGEMENT | 924,427 | 822,751 |
| 1804N | 550 | AIR SYSTEMS SUPPORT | 440,146 | 46,373 |
| 1804N | 560 | HULL, MECHANICAL AND ELECTRICAL SUPPORT | 65,432 | 50,392 |
| 1804N | 570 | COMBAT/WEAPONS SYSTEMS | 40,522 | 46,334 |
| 1804N | 580 | SPACE AND ELECTRONIC WARFARE SYSTEMS | 59,709 | 75,132 |
| | | TOTAL LOGISTICS OPERATIONS AND TECHNICAL SUPPORT | 2,359,138 | 1,429,407 |
| INVESTIGATIONS AND SECURITY PROGRAMS | | | | |
| 1804N | 590 | NAVAL INVESTIGATIVE SERVICE | 274,547 | 279,798 |
| | | TOTAL INVESTIGATIONS AND SECURITY PROGRAMS | 274,547 | 279,798 |
| SUPPORT OF OTHER NATIONS | | | | |
| 1804N | 640 | INTERNATIONAL HEADQUARTERS AND AGENCIES | 10,863 | 10,072 |
| 1804N | 650 | PRESIDENTIAL DRAWDOWN AUTHORITY | 49,547 | 10,663 |
| | | TOTAL SUPPORT OF OTHER NATIONS | 60,410 | 10,072 |
| CANCELLED ACCOUNTS | | | | |
| 1804N | 660 | CANCELLED ACCOUNT ADJUSTMENTS | 1,714 | |
| 1804N | 670 | JUDGMENT FUND | 10 | |
| | | TOTAL CANCELLED ACCOUNTS | 1,724 | |
| 1804N | 999 | OTHER PROGRAMS | 612,435 | 557,192 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 5,309,115 | 4,145,884 |
| | | | | 4,550,373 |
| Total Operation & Maintenance, Navy | | | 30,288,065 | 29,094,198 |
| | | | | 30,759,889 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | Total Obligational Authority (Dollars in Thousands) | | | |
|--|--|--|--|------------------|------------------|---------|
| | | | | FY 2004 | FY 2005 | FY 2006 |
| 1106N Operation & Maintenance, Marine Corps | | | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | | | |
| EXPEDITIONARY FORCES | | | | | | |
| 1106N 010 OPERATIONAL FORCES | | | 1,720,345 | 621,379 | 479,482 | |
| 1106N 020 FIELD LOGISTICS | | | 388,486 | 380,537 | 416,501 | |
| 1106N 030 DEPOT MAINTENANCE | | | 170,133 | 101,122 | 113,791 | |
| TOTAL EXPEDITIONARY FORCES | | | 2,278,964 | 1,103,038 | 1,009,774 | |
| USMC PREPOSITIONING | | | | | | |
| 1106N 040 MARITIME PREPOSITIONING | | | 109,654 | 68,680 | 69,343 | |
| 1106N 050 NORWAY PREPOSITIONING | | | 3,972 | 3,962 | 5,081 | |
| TOTAL USMC PREPOSITIONING | | | 113,626 | 72,642 | 74,424 | |
| BASE SUPPORT | | | | | | |
| 1106N 060 SUSTAINMENT, RESTORATION, & MODERNIZATION | | | 446,088 | 426,269 | 483,005 | |
| 1106N 070 BASE OPERATING SUPPORT | | | 1,005,520 | 1,006,052 | 1,344,113 | |
| TOTAL BASE SUPPORT | | | 1,451,608 | 1,432,321 | 1,827,118 | |
| TOTAL, BA 01: OPERATING FORCES | | | 3,844,198 | 2,608,001 | 2,911,316 | |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | | | |
| ACCESSION TRAINING | | | | | | |
| 1106N 080 RECRUIT TRAINING | | | 9,838 | 10,480 | 10,885 | |
| 1106N 090 OFFICER ACQUISITION | | | 412 | 346 | 374 | |
| TOTAL ACCESSION TRAINING | | | 10,250 | 10,826 | 11,259 | |
| BASIC SKILLS AND ADVANCED TRAINING | | | | | | |
| 1106N 100 SPECIALIZED SKILL TRAINING | | | 35,031 | 40,245 | 40,259 | |
| 1106N 110 FLIGHT TRAINING | | | 49 | 174 | 178 | |
| 1106N 120 PROFESSIONAL DEVELOPMENT EDUCATION | | | 9,538 | 9,364 | 10,687 | |
| 1106N 130 TRAINING SUPPORT | | | 123,205 | 128,849 | 134,048 | |
| TOTAL BASIC SKILLS AND ADVANCED TRAINING | | | 167,823 | 178,632 | 185,172 | |
| RECRUITING AND OTHER TRAINING AND EDUCATION | | | | | | |
| 1106N 140 RECRUITING AND ADVERTISING | | | 113,503 | 112,212 | 115,498 | |
| 1106N 150 OFF-DUTY AND VOLUNTARY EDUCATION | | | 39,855 | 44,403 | 51,221 | |
| 1106N 160 JUNIOR ROTC | | | 13,807 | 13,115 | 16,905 | |
| TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | | | 167,165 | 169,730 | 183,624 | |
| BASE SUPPORT | | | | | | |
| 1106N 170 SUSTAINMENT, RESTORATION AND MODERNIZATION | | | 74,378 | 67,336 | 67,804 | |
| 1106N 180 BASE OPERATING SUPPORT | | | 141,189 | 161,517 | 120,369 | |
| TOTAL BASE SUPPORT | | | 215,567 | 228,853 | 188,173 | |
| TOTAL, BA 03: TRAINING AND RECRUITING | | | 560,805 | 588,041 | 568,228 | |

Department of Defense
Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|--|--|---|------------------|------------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| 1106N Operation & Maintenance, Marine Corps | | | | | |
| <u>BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES</u> | | | | | |
| SERVICEWIDE SUPPORT | | | | | |
| 1106N 190 SPECIAL SUPPORT | | | 239,585 | 267,621 | 243,195 |
| 1106N 200 SERVICE-WIDE TRANSPORTATION | | | 268,050 | 40,519 | 38,352 |
| 1106N 210 ADMINISTRATION | | | 34,646 | 41,960 | 27,737 |
| 1106N 220 BASE SUPPORT | | | 35 | | |
| TOTAL SERVICEWIDE SUPPORT | | | 542,316 | 350,100 | 309,284 |
| CANCELLED ACCOUNTS | | | | | |
| 1106N 230 CANCELLED ACCOUNT ADJUSTMENT | | | 82 | | |
| TOTAL CANCELLED ACCOUNTS | | | 82 | | |
| BASE SUPPORT | | | | | |
| 1106N 240 SUSTAINMENT, RESTORATION, AND MODERNIZATION | | | 4,723 | 4,079 | 3,151 |
| 1106N 250 BASE OPERATING SUPPORT | | | 17,172 | 17,425 | 12,947 |
| TOTAL BASE SUPPORT | | | 21,895 | 21,504 | 16,098 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 564,293 | 371,604 | 325,382 |
| Total Operation & Maintenance, Marine Corps | | | 4,969,296 | 3,567,646 | 3,804,926 |

Department of Defense
Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|---|-------------------|-------------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| 3400F Operation & Maintenance, Air Force | | | | |
| <u>BUDGET ACTIVITY 01: OPERATING FORCES</u> | | | | |
| AIR OPERATIONS | | | | |
| 3400F | 010 | PRIMARY COMBAT FORCES | 3,573,973 | 3,175,539 |
| 3400F | 020 | PRIMARY COMBAT WEAPONS | 327,335 | 322,276 |
| 3400F | 030 | COMBAT ENHANCEMENT FORCES | 349,223* | 449,408 |
| 3400F | 040 | AIR OPERATIONS TRAINING (OUT, MAINTAIN SKILLS) | 1,179,457 | 1,199,182 |
| 3400F | 050 | COMBAT COMMUNICATIONS | 1,720,472 | 1,277,951 |
| 3400F | 060 | DEPOT MAINTENANCE | 1,918,598* | 1,957,140 |
| 3400F | 070 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 1,281,099 | 992,602 |
| 3400F | 080 | BASE SUPPORT | 3,582,814 | 1,888,699 |
| TOTAL AIR OPERATIONS | | 13,932,971* | 11,262,797 | 13,189,616 |
| COMBAT RELATED OPERATIONS | | | | |
| 3400F | 090 | GLOBAL C3I AND EARLY WARNING | 1,142,200 | 1,066,657 |
| 3400F | 100 | NAVIGATION/WEATHER SUPPORT | 209,911 | 198,216 |
| 3400F | 110 | OTHER COMBAT OPS SPT PROGRAMS | 746,190 | 581,142 |
| 3400F | 120 | JCS EXERCISES | 34,730 | 25,356 |
| 3400F | 130 | MANAGEMENT/OPERATIONAL HQ | 351,533 | 243,924 |
| 3400F | 140 | TACTICAL INTEL AND OTHER SPECIAL ACTIVITIES | 235,967 | 345,756 |
| TOTAL COMBAT RELATED OPERATIONS | | 2,720,531 | 2,461,051 | 2,771,222 |
| SPACE OPERATIONS | | | | |
| 3400F | 150 | LAUNCH FACILITIES | 294,734 | 312,373 |
| 3400F | 160 | LAUNCH VEHICLES | 60,304 | 93,216 |
| 3400F | 170 | SPACE CONTROL SYSTEMS | 217,172 | 221,647 |
| 3400F | 180 | SATELLITE SYSTEMS | 54,305 | 64,016 |
| 3400F | 190 | OTHER SPACE OPERATIONS | 250,846 | 250,495 |
| 3400F | 200 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 140,738 | 161,421 |
| 3400F | 210 | BASE SUPPORT | 566,722 | 493,668 |
| TOTAL SPACE OPERATIONS | | 1,584,821 | 1,596,836 | 1,783,963 |
| TOTAL, BA 01: OPERATING FORCES | | 18,238,323* | 15,320,684 | 17,744,801 |
| <u>BUDGET ACTIVITY 02: MOBILIZATION</u> | | | | |
| MOBILITY OPERATIONS | | | | |
| 3400F | 220 | AIRLIFT OPERATIONS | 3,036,212 | 1,338,569 |
| 3400F | 230 | AIRLIFT OPERATIONS C3I | 65,262* | 39,307 |
| 3400F | 240 | MOBILIZATION PREPAREDNESS | 205,470 | 77,365 |
| 3400F | 250 | DEPOT MAINTENANCE | 404,779 | 370,159 |
| 3400F | 260 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 329,688 | 170,497 |
| 3400F | 270 | BASE SUPPORT | 612,234 | 466,792 |
| TOTAL MOBILITY OPERATIONS | | 4,653,645* | 2,462,689 | 3,962,406 |
| TOTAL, BA 02: MOBILIZATION | | 4,653,645* | 2,462,689 | 3,962,406 |

* These line items and budget activities differ when compared to the Air Force justification book materials due to a realignment of the Combat Search and Recovery mission within the Air Force program.

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|---|--|------------------|------------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| 3400F Operation & Maintenance, Air Force | | | | | |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | | |
| ACCESSION TRAINING | | | | | |
| 3400F | 280 | OFFICER ACQUISITION | 70,763 | 74,409 | 79,026 |
| 3400F | 290 | RECRUIT TRAINING | 9,049 | 5,577 | 6,411 |
| 3400F | 300 | RESERVE OFFICERS TRAINING CORPS (ROTC) | 79,877 | 84,861 | 99,856 |
| 3400F | 310 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 66,112 | 79,971 | 34,304 |
| 3400F | 320 | BASE SUPPORT | 119,233 | 70,418 | 75,128 |
| TOTAL ACCESSION TRAINING | | | 345,034 | 315,236 | 294,725 |
| BASIC SKILLS AND ADVANCED TRAINING | | | | | |
| 3400F | 330 | SPECIALIZED SKILL TRAINING | 346,071 | 328,536 | 360,192 |
| 3400F | 340 | FLIGHT TRAINING | 728,946 | 780,428 | 809,154 |
| 3400F | 350 | PROFESSIONAL DEVELOPMENT EDUCATION | 155,721 | 158,651 | 178,515 |
| 3400F | 360 | TRAINING SUPPORT | 105,231 | 105,389 | 112,980 |
| 3400F | 370 | DEPOT MAINTENANCE | 8,836 | 12,892 | 14,095 |
| 3400F | 380 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 200,685 | 185,424 | 157,248 |
| 3400F | 390 | BASE SUPPORT | 541,198 | 565,230 | 588,784 |
| TOTAL BASIC SKILLS AND ADVANCED TRAINING | | | 2,086,688 | 2,136,550 | 2,220,968 |
| RECRUITING AND OTHER TRAINING AND EDUCATION | | | | | |
| 3400F | 400 | RECRUITING AND ADVERTISING | 139,575 | 117,108 | 136,567 |
| 3400F | 410 | EXAMINING | 2,541 | 3,107 | 3,435 |
| 3400F | 420 | OFF-DUTY AND VOLUNTARY EDUCATION | 178,718 | 169,214 | 187,656 |
| 3400F | 430 | CIVILIAN EDUCATION AND TRAINING | 113,167 | 161,732 | 148,557 |
| 3400F | 440 | JUNIOR ROTC | 44,747 | 47,518 | 57,573 |
| TOTAL RECRUITING AND OTHER TRAINING AND EDUCATION | | | 478,748 | 498,679 | 533,788 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | | 2,910,470 | 2,950,465 | 3,049,481 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | | |
| LOGISTICS OPERATIONS | | | | | |
| 3400F | 450 | LOGISTICS OPERATIONS | 898,923 | 854,366 | 881,829 |
| 3400F | 460 | TECHNICAL SUPPORT ACTIVITIES | 415,264 | 411,399 | 651,796 |
| 3400F | 470 | SERVICEWIDE TRANSPORTATION | 397,899 | 4,579 | 192,354 |
| 3400F | 480 | DEPOT MAINTENANCE | 148,556* | 72,205 | 48,627 |
| 3400F | 490 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 253,911 | 248,134 | 248,043 |
| 3400F | 500 | BASE SUPPORT | 1,068,295 | 1,067,015 | 1,079,261 |
| TOTAL LOGISTICS OPERATIONS | | | 3,182,848* | 2,657,698 | 3,101,910 |
| SERVICEWIDE ACTIVITIES | | | | | |
| 3400F | 510 | ADMINISTRATION | 384,470 | 381,908 | 348,301 |
| 3400F | 520 | SERVICE-WIDE COMMUNICATIONS | 346,971 | 360,249 | 533,574 |
| 3400F | 530 | PERSONNEL PROGRAMS | 244,389 | 243,711 | 244,970 |
| 3400F | 540 | RESCUE AND RECOVERY SERVICES | 124,834* | | |
| 3400F | 550 | ARMS CONTROL | 35,987 | 35,664 | 48,071 |
| 3400F | 560 | OTHER SERVICEWIDE ACTIVITIES | 1,405,836 | 682,091 | 709,368 |
| 3400F | 570 | OTHER PERSONNEL SUPPORT | 37,923 | 38,632 | 42,852 |
| 3400F | 580 | CIVIL AIR PATROL | 21,757 | 22,088 | 24,288 |

* These line items and budget activities differ when compared to the Air Force justification book materials due to a realignment of the Combat Search and Recovery mission within the Air Force program.

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|---|--|-------------------|-------------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| 3400F Operation & Maintenance, Air Force | | | | | |
| 3400F | 590 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 27,588 | 12,269 | 13,438 |
| 3400F | 600 | BASE SUPPORT | 256,873 | 320,754 | 311,498 |
| | | TOTAL SERVICEWIDE ACTIVITIES | 2,886,628* | 2,097,366 | 2,276,360 |
| SECURITY PROGRAMS | | | | | |
| 3400F | 610 | SECURITY PROGRAMS | 1,085,711 | 1,026,211 | 1,365,179 |
| | | TOTAL SECURITY PROGRAMS | 1,085,711 | 1,026,211 | 1,365,179 |
| SUPPORT TO OTHER NATIONS | | | | | |
| 3400F | 620 | INTERNATIONAL SUPPORT | 23,955 | 25,260 | 20,999 |
| | | TOTAL SUPPORT TO OTHER NATIONS | 23,955 | 25,260 | 20,999 |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 7,179,142* | 5,806,535 | 6,764,448 |
| Total Operation & Maintenance, Air Force | | | 32,981,580 | 26,540,373 | 31,521,136 |

* These line items and budget activities differ when compared to the Air Force justification book materials due to a realignment of the Combat Search and Recovery mission within the Air Force program.

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | Total Obligational Authority (Dollars in Thousands) | | |
|---|--|--|-------------------|-------------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| 0100D Operation & Maintenance, Defense-Wide | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | |
| 0100D 010 JOINT CHIEFS OF STAFF | | 559,274 | 488,717 | 580,883 |
| 0100D 020 SPECIAL OPERATIONS COMMAND | | 2,869,350 | 2,120,353 | 2,205,693 |
| TOTAL, BA 01: OPERATING FORCES | | 3,428,624 | 2,609,070 | 2,786,576 |
| BUDGET ACTIVITY 03: TRAINING AND RECRUITING | | | | |
| 0100D 030 DEFENSE ACQUISITION UNIVERSITY | | 103,619 | 100,056 | 105,601 |
| 0100D 040 NATIONAL DEFENSE UNIVERSITY | | 89,519 | 91,878 | 67,158 |
| TOTAL, BA 03: TRAINING AND RECRUITING | | 193,138 | 191,934 | 172,759 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | |
| 0100D 050 AMERICAN FORCES INFORMATION SERVICE | | 135,766 | 132,920 | 147,992 |
| 0100D 060 CIVIL MILITARY PROGRAMS | | 96,942 | 117,232 | 100,468 |
| 0100D 090 DEFENSE CONTRACT AUDIT AGENCY | | 374,169 | 361,231 | 379,947 |
| 0100D 100 DEFENSE FINANCE AND ACCOUNTING SERVICE | | 5,243 | 4,178 | 5,481 |
| 0100D 120 DEFENSE LEGAL SERVICES | | 27,947 | 30,647 | 38,412 |
| 0100D 130 DEFENSE LOGISTICS AGENCY | | 311,215 | 322,953 | 305,835 |
| 0100D 140 DEFENSE POW/MIA OFFICE | | 15,510 | 15,427 | 16,105 |
| 0100D 150 DEFENSE TECHNOLOGY SECURITY AGENCY | | 20,287 | 19,815 | 21,697 |
| 0100D 160 DEFENSE THREAT REDUCTION AGENCY | | 323,428 | 315,926 | 320,099 |
| 0100D 170 DEPARTMENT OF DEFENSE EDUCATION AGENCY | | 1,867,081 | 1,771,874 | 1,769,628 |
| 0100D 180 DOD HUMAN RESOURCES ACTIVITY | | 324,429 | 369,042 | 402,798 |
| 0100D 190 DEFENSE CONTRACT MANAGEMENT AGENCY | | 994,445 | 996,245 | 1,044,322 |
| 0100D 200 DEFENSE INFORMATION SERVICES AGENCY | | 1,239,576 | 1,031,842 | 1,045,125 |
| 0100D 210 DEFENSE SECURITY COOPERATION AGENCY | | 1,413,674 | 955,255 | 143,966 |
| 0100D 220 DEFENSE SECURITY SERVICE | | 257,648 | 226,328 | 282,468 |
| 0100D 240 OFFICE OF ECONOMIC ADJUSTMENT | | 57,512 | 88,790 | 30,463 |
| 0100D 250 OFFICE OF THE SECRETARY OF DEFENSE | | 801,744 | 752,893 | 778,858 |
| 0100D 260 WASHINGTON HEADQUARTERS SERVICE | | 452,644 | 542,853 | 473,483 |
| 0100D 999 OTHER PROGRAMS | | 7,984,126 | 7,091,489 | 8,186,987 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 16,703,386 | 15,146,940 | 15,494,134 |
| Total Operation & Maintenance, Defense-Wide | | 20,325,148 | 17,947,944 | 18,453,469 |

Department of Defense
Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|--|--|---|----------------|----------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| 0107D Office of the Inspector General | | | | | |
| BUDGET ACTIVITY 01: OPERATION & MAINTENANCE | | | | | |
| 0107D 010 OFFICE OF THE INSPECTOR GENERAL | | | 166,895 | 203,762 | 208,687 |
| TOTAL, BA 01: OPERATION & MAINTENANCE | | | 166,895 | 203,762 | 208,687 |
| BUDGET ACTIVITY 02: RDT&E | | | | | |
| 0107D 020 OFFICE OF THE INSPECTOR GENERAL | | | | 400 | |
| TOTAL, BA 02: RDT&E | | | | 400 | |
| BUDGET ACTIVITY 03: PROCUREMENT | | | | | |
| 0107D 030 OFFICE OF THE INSPECTOR GENERAL | | | 4,841 | 2,547 | 1,000 |
| TOTAL, BA 03: PROCUREMENT | | | 4,841 | 2,547 | 1,000 |
| Total Office of the Inspector General | | | 171,736 | 206,709 | 209,687 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|--|------------------|------------------|
| | | FY 2004 | FY 2005 | FY 2006 |
| 2080A Operation & Maintenance, Army Reserve | | | | |
| BUDGET ACTIVITY 01: OPERATING FORCES | | | | |
| LAND FORCES | | | | |
| 2080A | 010 | DIVISIONS | 9,450 | 9,940 |
| 2080A | 020 | CORPS COMBAT FORCES | 28,748 | 34,607 |
| 2080A | 030 | CORPS SUPPORT FORCES | 323,945 | 312,526 |
| 2080A | 040 | EAC SUPPORT FORCES | 130,699 | 147,621 |
| 2080A | 050 | LAND FORCES OPERATIONS SUPPORT | 451,982 | 446,234 |
| TOTAL LAND FORCES | | 944,824 | 950,928 | 794,940 |
| LAND FORCES READINESS | | | | |
| 2080A | 060 | FORCE READINESS OPERATIONS SUPPORT | 170,992 | 152,541 |
| 2080A | 070 | LAND FORCES SYSTEMS READINESS | 65,926 | 65,202 |
| 2080A | 080 | LAND FORCES DEPOT MAINTENANCE | 62,947 | 71,548 |
| TOTAL LAND FORCES READINESS | | 299,865 | 289,291 | 355,992 |
| LAND FORCES READINESS SUPPORT | | | | |
| 2080A | 090 | BASE OPERATIONS SUPPORT | 406,360 | 377,512 |
| 2080A | 100 | FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 141,710 | 201,141 |
| 2080A | 110 | MISCELLANEOUS ACTIVITIES | 3,321 | 7,512 |
| TOTAL LAND FORCES READINESS SUPPORT | | 551,391 | 586,165 | 672,849 |
| TOTAL, BA 01: OPERATING FORCES | | 1,796,080 | 1,826,384 | 1,823,781 |
| BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | | |
| SERVICEWIDE SUPPORT | | | | |
| 2080A | 120 | ADMINISTRATION | 48,780 | 52,180 |
| 2080A | 130 | SERVICEWIDE COMMUNICATIONS | 38,690 | 9,116 |
| 2080A | 140 | MANPOWER MANAGEMENT | 49,764 | 8,201 |
| 2080A | 150 | RECRUITING AND ADVERTISING | 102,088 | 90,313 |
| TOTAL SERVICEWIDE SUPPORT | | 239,322 | 159,810 | 163,601 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 239,322 | 159,810 | 163,601 |
| Total Operation & Maintenance, Army Reserve | | 2,035,402 | 1,986,194 | 1,987,382 |

Department of Defense
Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

1806N Operation & Maintenance, Navy Reserve

BUDGET ACTIVITY 01: OPERATING FORCES

AIR OPERATIONS

| | | | | | |
|-----------------------------|-----|-------------------------------------|----------------|----------------|----------------|
| 1806N | 010 | MISSION AND OTHER FLIGHT OPERATIONS | 439,708 | 479,871 | 518,962 |
| 1806N | 020 | INTERMEDIATE MAINTENANCE | 18,809 | 16,490 | 16,250 |
| 1806N | 030 | AIR OPERATIONS AND SAFETY SUPPORT | 2,294 | 1,589 | 2,179 |
| 1806N | 040 | AIRCRAFT DEPOT MAINTENANCE | 138,650 | 130,652 | 141,907 |
| 1806N | 050 | AIRCRAFT DEPOT OPERATIONS SUPPORT | 261 | 384 | 374 |
| TOTAL AIR OPERATIONS | | | 599,722 | 628,986 | 679,672 |

SHIP OPERATIONS

| | | | | | |
|------------------------------|-----|------------------------------------|----------------|----------------|----------------|
| 1806N | 060 | MISSION AND OTHER SHIP OPERATIONS | 69,028 | 59,091 | 61,711 |
| 1806N | 070 | SHIP OPERATIONS SUPPORT & TRAINING | 537 | 531 | 537 |
| 1806N | 080 | SHIP DEPOT MAINTENANCE | 77,229 | 91,370 | 71,895 |
| 1806N | 090 | SHIP DEPOT OPERATIONS SUPPORT | 3,677 | 3,330 | 631 |
| TOTAL SHIP OPERATIONS | | | 150,471 | 154,322 | 134,774 |

COMBAT OPERATIONS/SUPPORT

| | | | | | |
|--|-----|-----------------------|----------------|----------------|----------------|
| 1806N | 100 | COMBAT COMMUNICATIONS | 6,718 | 7,613 | |
| 1806N | 110 | COMBAT SUPPORT FORCES | 107,676 | 227,633 | 217,255 |
| TOTAL COMBAT OPERATIONS/SUPPORT | | | 107,676 | 234,351 | 224,868 |

WEAPONS SUPPORT

| | | | | | |
|------------------------------|-----|---------------------|--------------|--------------|--------------|
| 1806N | 120 | WEAPONS MAINTENANCE | 5,517 | 5,548 | 5,070 |
| TOTAL WEAPONS SUPPORT | | | 5,517 | 5,548 | 5,070 |

BASE SUPPORT

| | | | | | |
|---------------------------|-----|--|----------------|----------------|----------------|
| 1806N | 130 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 52,478 | 71,310 | 62,788 |
| 1806N | 140 | BASE OPERATING SUPPORT | 95,141 | 108,813 | 109,878 |
| TOTAL BASE SUPPORT | | | 147,619 | 180,123 | 172,666 |

TOTAL, BA 01: OPERATING FORCES

| Total Obligational Authority | | |
|-------------------------------------|----------------|----------------|
| (Dollars in Thousands) | | |
| FY 2004 | FY 2005 | FY 2006 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | | | |
|----------------------------------|-----|--|----------------|---------------|---------------|
| 1806N | 150 | ADMINISTRATION | 15,410 | 6,926 | 4,871 |
| 1806N | 160 | CIVILIAN MANPOWER AND PERSONNEL MANAGEMENT | 2,026 | | |
| 1806N | 170 | MILITARY MANPOWER AND PERSONNEL MANAGEMENT | 33,600 | 8,790 | 9,037 |
| 1806N | 180 | SERVICEWIDE COMMUNICATIONS | 105,692 | 3,347 | 3,907 |
| 1806N | 190 | COMBAT/WEAPONS SYSTEMS | 5,637 | 5,667 | 5,385 |
| 1806N | 200 | OTHER SERVICE-WIDE SUPPORT | | | 5,445 |
| TOTAL SERVICEWIDE SUPPORT | | | 162,365 | 24,730 | 28,645 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|---|--|--|------------------|------------------|
| | | | | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
| 1806N Operation & Maintenance, Navy Reserve | | | | | | |
| CANCELLED ACCOUNTS | | | | | | |
| 1806N | 210 | CANCELLED ACCOUNT ADJUSTMENTS | | 16 | | |
| | | TOTAL CANCELLED ACCOUNTS | | 16 | | |
| 1806N | 999 | OTHER PROGRAMS | | 660 | 6,511 | |
| | | TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | 163,041 | 31,241 | 28,645 |
| | | Total Operation & Maintenance, Navy Reserve | | 1,174,046 | 1,234,571 | 1,245,695 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

1107N Operation & Maintenance, Marine Corps Reserve

Total Obligational Authority
(Dollars in Thousands)

| FY 2004 | FY 2005 | FY 2006 |
|---------|---------|---------|
|---------|---------|---------|

BUDGET ACTIVITY 01: OPERATING FORCESEXPEDITIONARY FORCES

| | | | | |
|-----------------------------------|-------------------|----------------|----------------|---------------|
| 1107N 010 | OPERATING FORCES | 70,663 | 72,313 | 45,812 |
| 1107N 020 | DEPOT MAINTENANCE | 10,165 | 11,506 | 13,964 |
| 1107N 030 | TRAINING SUPPORT | 29,327 | 25,520 | 26,079 |
| TOTAL EXPEDITIONARY FORCES | | 110,155 | 109,339 | 85,855 |

BASE SUPPORT

| | | | | |
|---------------------------|--|---------------|---------------|---------------|
| 1107N 040 | SUSTAINMENT, RESTORATION AND MODERNIZATION | 11,620 | 11,943 | 10,105 |
| 1107N 050 | BASE OPERATING SUPPORT | 28,925 | 32,920 | 70,729 |
| TOTAL BASE SUPPORT | | 40,545 | 44,863 | 80,834 |

TOTAL, BA 01: OPERATING FORCES

150,700 154,202 166,689

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIESSERVICEWIDE SUPPORT

| | | | | |
|----------------------------------|-----------------------------|---------------|---------------|---------------|
| 1107N 060 | SPECIAL SUPPORT | 13,692 | 8,938 | 11,975 |
| 1107N 070 | SERVICE-WIDE TRANSPORTATION | 565 | 816 | 815 |
| 1107N 080 | ADMINISTRATION | 10,820 | 10,290 | 7,898 |
| 1107N 090 | RECRUITING AND ADVERTISING | 7,806 | 7,855 | 8,066 |
| TOTAL SERVICEWIDE SUPPORT | | 32,883 | 27,899 | 28,754 |

BASE SUPPORT

| | | | | |
|---------------------------|------------------------|--------------|--------------|--------------|
| 1107N 100 | BASE OPERATING SUPPORT | 5,619 | 4,631 | 4,491 |
| TOTAL BASE SUPPORT | | 5,619 | 4,631 | 4,491 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

38,502 32,530 33,245

Total Operation & Maintenance, Marine Corps Reserve

189,202 186,732 199,934

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

3740F Operation & Maintenance, Air Force Reserve

Total Obligational Authority
(Dollars in Thousands)

| | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|--|----------------|----------------|----------------|
|--|----------------|----------------|----------------|

BUDGET ACTIVITY 01: OPERATING FORCES**AIR OPERATIONS**

| | | | |
|---|------------------|------------------|------------------|
| 3740F 010 PRIMARY COMBAT FORCES | 1,094,850 | 1,335,775 | 1,585,504 |
| 3740F 020 MISSION SUPPORT OPERATIONS | 104,808 | 74,722 | 85,545 |
| 3740F 030 DEPOT MAINTENANCE | 245,138 | 407,622 | 377,817 |
| 3740F 040 FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 153,633 | 52,945 | 55,764 |
| 3740F 050 BASE SUPPORT | 332,498 | 257,001 | 288,387 |
| TOTAL AIR OPERATIONS | 1,930,927 | 2,128,065 | 2,393,017 |
| TOTAL, BA 01: OPERATING FORCES | 1,930,927 | 2,128,065 | 2,393,017 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES**SERVICEWIDE ACTIVITIES**

| | | | |
|---|------------------|------------------|------------------|
| 3740F 060 ADMINISTRATION | 66,862 | 61,699 | 64,017 |
| 3740F 070 RECRUITING AND ADVERTISING | 19,724 | 14,473 | 15,854 |
| 3740F 080 MILITARY MANPOWER AND PERS MGMT (ARPC) | 21,946 | 25,451 | 21,095 |
| 3740F 090 OTHER PERS SUPPORT (DISABILITY COMP) | 7,564 | 6,704 | 7,052 |
| 3740F 100 AUDIOVISUAL | 880 | 641 | 651 |
| TOTAL SERVICEWIDE ACTIVITIES | 116,976 | 108,968 | 108,669 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | 116,976 | 108,968 | 108,669 |
| Total Operation & Maintenance, Air Force Reserve | 2,047,903 | 2,237,033 | 2,501,686 |

Department of Defense
Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

2065A Operation & Maintenance, Army National Guard

BUDGET ACTIVITY 01: OPERATING FORCES

LAND FORCES

| | | | |
|--|------------------|------------------|------------------|
| 2065A 010 DIVISIONS | 594,348 | 554,134 | 600,818 |
| 2065A 020 CORPS COMBAT FORCES | 563,159 | 619,787 | 530,869 |
| 2065A 030 CORPS SUPPORT FORCES | 276,352 | 328,271 | 322,856 |
| 2065A 040 EAC SUPPORT FORCES | 592,521 | 552,961 | 606,026 |
| 2065A 050 LAND FORCES OPERATIONS SUPPORT | 31,805 | 25,086 | 26,077 |
| TOTAL LAND FORCES | 2,058,185 | 2,080,239 | 2,086,646 |

LAND FORCES READINESS

| | | | |
|--|----------------|----------------|----------------|
| 2065A 060 FORCE READINESS OPERATIONS SUPPORT | 155,482 | 180,163 | 227,670 |
| 2065A 070 LAND FORCES SYSTEMS READINESS | 138,091 | 144,614 | 126,496 |
| 2065A 080 LAND FORCES DEPOT MAINTENANCE | 190,556 | 230,567 | 255,367 |
| TOTAL LAND FORCES READINESS | 484,129 | 555,344 | 609,533 |

LAND FORCES READINESS SUPPORT

| | | | |
|--|------------------|------------------|------------------|
| 2065A 090 BASE OPERATIONS SUPPORT | 721,428 | 585,928 | 610,219 |
| 2065A 100 FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION | 319,105 | 384,784 | 391,544 |
| 2065A 110 MANAGEMENT AND OPERATIONAL HQ | 447,610 | 451,167 | 406,794 |
| 2065A 120 MISCELLANEOUS ACTIVITIES | 76,668 | 87,456 | 65,363 |
| TOTAL LAND FORCES READINESS SUPPORT | 1,564,811 | 1,509,335 | 1,473,920 |

TOTAL, BA 01: OPERATING FORCES

4,107,125 **4,144,918** **4,170,099**

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

SERVICEWIDE SUPPORT

| | | | |
|--------------------------------------|----------------|----------------|----------------|
| 2065A 130 ADMINISTRATION | 123,269 | 120,569 | 111,552 |
| 2065A 140 SERVICEWIDE COMMUNICATIONS | 24,943 | 35,841 | 52,814 |
| 2065A 150 MANPOWER MANAGEMENT | 43,723 | 35,576 | 50,653 |
| 2065A 160 RECRUITING AND ADVERTISING | 159,857 | 101,214 | 124,601 |
| TOTAL SERVICEWIDE SUPPORT | 351,792 | 293,200 | 339,620 |

TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES

351,792 **293,200** **339,620**

Total Operation & Maintenance, Army National Guard

4,458,917 **4,438,118** **4,509,719**

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

3840F Operation & Maintenance, Air National Guard

Total Obligational Authority
(Dollars in Thousands)

| FY 2004 | FY 2005 | FY 2006 |
|---------|---------|---------|
|---------|---------|---------|

BUDGET ACTIVITY 01: OPERATING FORCESAIR OPERATIONS

| | | | | | |
|---------------------------------------|-----|---|------------------|------------------|------------------|
| 3840F | 010 | AIRCRAFT OPERATIONS | 2,526,071 | 2,641,335 | 2,938,127 |
| 3840F | 020 | MISSION SUPPORT OPERATIONS | 610,992 | 371,002 | 497,447 |
| 3840F | 030 | DEPOT MAINTENANCE | 665,868 | 749,506 | 612,807 |
| 3840F | 040 | FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION | 215,808 | 228,684 | 169,791 |
| 3840F | 050 | BASE SUPPORT | 443,617 | 434,136 | 467,517 |
| TOTAL AIR OPERATIONS | | | 4,462,356 | 4,424,663 | 4,685,689 |
| TOTAL, BA 01: OPERATING FORCES | | | 4,462,356 | 4,424,663 | 4,685,689 |

BUDGET ACTIVITY 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIESSERVICEWIDE ACTIVITIES

| | | | | | |
|---|-----|----------------------------|------------------|------------------|------------------|
| 3840F | 060 | ADMINISTRATION | 27,128 | 27,686 | 28,949 |
| 3840F | 070 | RECRUITING AND ADVERTISING | 20,293 | 9,320 | 9,453 |
| TOTAL SERVICEWIDE ACTIVITIES | | | 47,421 | 37,006 | 38,402 |
| TOTAL, BA 04: ADMINISTRATION AND SERVICE-WIDE ACTIVITIES | | | 47,421 | 37,006 | 38,402 |
| Total Operation & Maintenance, Air National Guard | | | 4,509,777 | 4,461,669 | 4,724,091 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

0105D Drug Interdiction & Counter-Drug Act., Def.

Total Obligational Authority
(Dollars in Thousands)

FY 2004 FY 2005 FY 2006

BUDGET ACTIVITY 01: OPERATING FORCES

0105D 010 DRUG ENFORCEMENT AND POLICY SUPPORT

906,522 895,741

TOTAL, BA 01: OPERATING FORCES

906,522 895,741

Total Drug Interdiction & Counter-Drug Act., Def.

906,522 895,741

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | Total Obligational Authority (Dollars in Thousands) | | |
|--|----------------------------|--|--|-------------------|-------------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| 0130D | Defense Health Program | | | | |
| BUDGET ACTIVITY 01: OPERATION & MAINTENANCE | | | | | |
| 0130D | 010 DEFENSE HEALTH PROGRAM | | 16,978,868 | 17,302,504 | 19,247,137 |
| TOTAL, BA 01: OPERATION & MAINTENANCE | | | 16,978,868 | 17,302,504 | 19,247,137 |
| BUDGET ACTIVITY 02: RDT&E | | | | | |
| 0130D | 020 DEFENSE HEALTH PROGRAM | | 486,346 | 506,982 | 169,156 |
| TOTAL, BA 02: RDT&E | | | 486,346 | 506,982 | 169,156 |
| BUDGET ACTIVITY 03: PROCUREMENT | | | | | |
| 0130D | 030 DEFENSE HEALTH PROGRAM | | 304,250 | 367,035 | 375,319 |
| TOTAL, BA 03: PROCUREMENT | | | 304,250 | 367,035 | 375,319 |
| Total Defense Health Program | | | 17,769,464 | 18,176,521 | 19,791,612 |

Department of Defense

Exhibit O-1A

Excludes Title IX Additional War-Related Appropriations from the FY 2005 DoD Appropriations Act (P.L. 108-287), Military Construction Appropriations and Emergency Supplemental Appropriations Act, 2005 (P.L. 108-324), and transfers from the Iraqi Freedom Fund for the FY 2005 column.

FY 2006/2007 President's Budget

| | | | Total Obligational Authority (Dollars in Thousands) | | |
|---|-----|--|--|------------------|----------------|
| | | | FY 2004 | FY 2005 | FY 2006 |
| Transfer Accounts | | | | | |
| 0810A | 010 | DEFENSE ENVIRONMENTAL RESTORATION FUND | 399,955 | 407,865 | |
| 0810N | 020 | ENVIRONMENTAL RESTORATION FUND, NAVY | 266,159 | 305,275 | |
| 0810F | 030 | ENVIRONMENTAL RESTORATION FUND, AIR FORCE | 396,384 | 406,461 | |
| 0810D | 040 | ENVIRONMENTAL RESTORATION FUND, DEFENSE | 23,625 | 28,167 | |
| 0811D | 050 | ENVIRONMENTAL RESTORATION USED SITES | 265,856 | 221,921 | |
| Total Transfer Accounts | | | 1,351,979 | 1,369,689 | |
| Miscellaneous Appropriations | | | | | |
| 0104D | 060 | US COURT OF APPEALS FOR THE ARMED FORCES | 10,278 | 10,798 | 11,236 |
| 0838D | 070 | SUPPORT OF INTERNATIONAL SPORTING COMPETITIONS | 651 | 505 | 505 |
| 0118D | 080 | OVERSEAS CONTINGENCY OPERATIONS TRANSFER FUND | | 9,975 | 20,000 |
| 4965D | 090 | EMERGENCY RESPONSE FUND, DEFENSE | 10,296 | 6,000 | 6,000 |
| 0833D | 100 | EMERGENCY RESPONSE FUND, DEFENSE | 28,220 | | |
| 0833D | 110 | EMERGENCY RESPONSE FUND, DEFENSE | 14,807 | | |
| 0833D | 120 | EMERGENCY RESPONSE FUND, DEFENSE | 77,460 | | |
| 0141D | 130 | IRAQ FREEDOM FUND, DEF | | 2,144,639 | |
| 0819D | 140 | OVERSEAS HUMANITARIAN, DISASTER AND CIVIC AID | 92,188 | 58,854 | 61,546 |
| 1236N | 150 | KAHO'OLAWE | 20,384 | | |
| 0134D | 160 | FORMER SOVIET UNION (FSU) THREAT REDUCTION | 448,645 | 408,186 | 415,549 |
| Total Miscellaneous Appropriations | | | 702,929 | 2,638,957 | 514,836 |

Operation and Maintenance

Performance Assessment Rating Tools

This Appendix consolidates copies of the Operation and Maintenance Performance Assessment Rating Tools for the following areas:

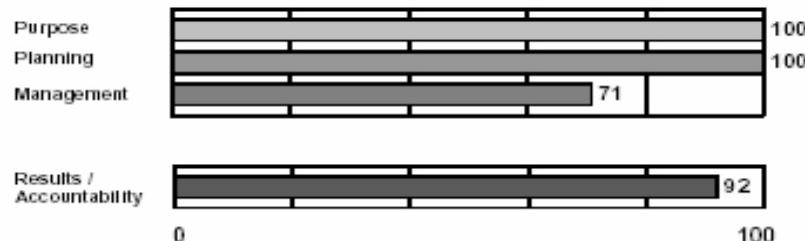
- Air Force Aircraft Operations
- Air Force Depot Maintenance
- Army Land Forces Operations
- Communications Infrastructure
- Defense Health
- Depot Maintenance Naval Aviation
- Depot Maintenance Ship
- Facilities, Sustainment, Restoration, Modernization, and Demolition
- Military Force Management
- Navy/Marine Corps Air Operations
- Navy Ship Operations
- Recruiting

THIS PAGE INTENTIONALLY BLANK

Program: Air Force Aircraft Operations

Agency: Department of Defense--Military

Bureau: Air Force



Key Performance Measures from Latest PART **Year** **Target** **Actual**

| | | | |
|---|------|------|------|
| Annual Measure: Hours per Crew per Month for Fighter Aircraft for the Air Force Reserve | 2002 | 11.0 | 14.0 |
| | 2003 | 11.0 | 12.9 |
| | 2004 | 12.1 | 11.2 |
| | 2005 | 11.1 | |
| Annual Measure: Hours per Crew per Month for Fighter Aircraft for the Air National Guard | 2002 | 10.5 | 10.5 |
| | 2003 | 10.5 | 10.6 |
| | 2004 | 10.6 | 10.6 |
| | 2005 | 10.6 | |
| Annual Measure: Hours per Crew per Month for Bomber Aircraft for the Active Air Force | 2002 | 15.5 | 15.8 |
| | 2003 | 15.4 | 15.6 |
| | 2004 | 15.6 | 16.7 |
| | 2005 | 15.3 | |

Rating: Effective

Program Type: Direct Federal

Program Summary:

Air Force Flying Operations training ensures that aircrews are trained and ready for immediate and effective employment across a range of offensive and defensive air operations in support of national security objectives. Dominant air power has proven essential to successful resolution of our conflicts.

The PART assessment shows:

- The Air Force continues to provide trained aircrews to combatant commanders when called to do so across a range of military operations.
- The Air Force recently revised its metric for measuring operational tempo as part of its measure of annual training performance to more accurately assess aircrew proficiency and qualification.
- Although the most recent quarterly readiness report to Congress shows that Air Force units are ready to meet their real-world combat missions, there is no exact correlation between these readiness levels and training performance metrics.

In response to these findings, the Administration will:

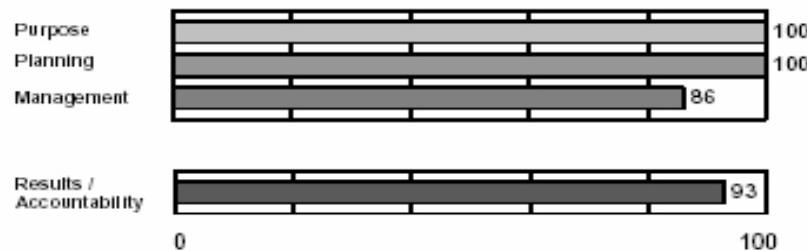
1. More closely align funding decisions for the Air Force Flying Operations training to the revised performance metrics by using these metrics in the Air Force's FY 2007 Budget Justification materials for Congress.
2. Work toward creating better linkages among funding decisions, Air Force flying operations training plans, and unit readiness.
3. Evaluate base operations as an individual program in the future. It was included in this PART due to its role in enabling operations training.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|-------------|---------------|---------------|
| 10,481 | 8,299 | 9,341 |

Program: Air Force Depot Maintenance

Agency: Department of Defense--Military Bureau:



Key Performance Measures from Latest PART **Year** **Target** **Actual**

| | | | |
|--|------|-----|-------|
| Long-term Measure: Fighter Mission Capable Rate (F-15E). This measures the percent of aircraft that are capable of performing their designated mission. The Air Force defines mission capable standards by aircraft model. Mission capable rates for F-15Es are used as an example. | 2004 | 80% | 79.1% |
| | 2005 | 80% | 80% |
| | 2006 | 80% | |
| | | | |
| Annual Efficiency Measure: Organic Due Date Performance - This measures the percent of maintenance actions performed in government depots that are completed on schedule. | 2004 | 90% | 91% |
| | 2005 | 92% | 92% |
| | 2006 | 95% | |
| | | | |
| Annual Efficiency Measure: Organic Aircraft Quality Defect Rate (defects per aircraft) - This measures the number of defects per aircraft repaired in government depots. | 2004 | .22 | .13 |
| | 2005 | .22 | .22 |
| | 2006 | .20 | |
| | | | |

Rating: Effective

Program Type: Direct Federal

Program Summary:

The Air Force Depot Maintenance program provides major repair for airframes, engines, and aircraft components to ensure that sufficient aircraft are available to meet Air Force requirements. Safe, operational aircraft are necessary to maintain the Air Force's readiness to deploy in support of national security objectives.

The PART assessment shows:

- The Air Force consistently and effectively meets its goals of providing safe, reliable aircraft to its warfighters.
- Air Force depot maintenance metrics do a good job of linking program outputs to the desired outcome. Depot maintenance produces an output (repaired aircraft) that is a critical component of maintaining the readiness of the Air Force's aircraft fleet.
- Government depots routinely meet their targets for completing maintenance actions on time and without errors.

In response to these findings, the administration will:

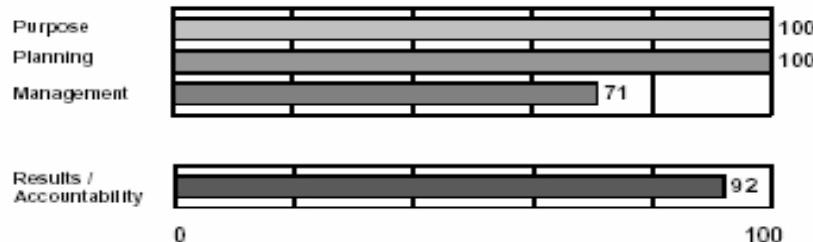
1. Work to improve financial management of the depot maintenance program.
2. Use the program metrics to more closely align funding decisions for Air Force depot maintenance to the program outcomes.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|-------------|---------------|---------------|
| 3,402 | 3,576 | 3,533 |

Program: Army Land Forces Operations

Agency: Department of Defense--Military
Bureau:



Key Performance Measures from Latest PART **Year** **Target** **Actual**

| | | | |
|--|------|-----|------|
| Annual Measure: Tank mile metric | 2002 | 931 | 944 |
| | 2003 | 933 | 1071 |
| | 2004 | 899 | 1379 |
| | 2005 | 899 | |
| Annual Measure: Reserve Equivalent Tank Miles | 2002 | 194 | 194 |
| | 2003 | 198 | 229 |
| | 2004 | 200 | 200 |
| | 2005 | 199 | |
| Annual Measure: Guard Tank Miles | 2002 | 95 | 95 |
| | 2003 | 177 | 154 |
| | 2004 | 146 | 146 |
| | 2005 | 165 | |

Rating: Effective

Program Type: Direct Federal

Program Summary:

Army Land Forces Operations training ensures that Army units and soldiers maintain their readiness to provide the nation with war fighting capability. Army units must be ready to deploy and execute ground combat missions in support of national security objectives.

The PART assessment shows:

- The Army routinely and effectively meets its commitment to provide trained and ready forces to war-fighting commanders.
- The Army has restructured the metrics it uses to measure its training output to increase their accuracy and utility.
- The linkage is unclear between metrics the Army uses to measure its budgeted training output and the metrics commanders use to measure unit readiness.

In response to these findings, the Administration will:

1. Work in the next year to more closely align funding decisions for Army operations training to the improved metrics.
2. Work in the next year to more seamlessly link up funding decisions with Army training outputs and unit readiness.
3. Evaluate base operations as an individual program in the future. It was included in this PART due to its role in enabling operations training.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|-------------|---------------|---------------|
| 9,236 | 9,710 | 9,488 |

Program: *Communications Infrastructure*

Agency: Department of Defense--Military

Bureau: Department of Defense--Military

Rating: *Results Not Demonstrated*

Program Type: Capital Assets and Service Acquisition

Last Assessed: 2 years ago

Key Performance Measures from Latest PART

Year

Target

Actual

| | | | |
|---|------|---------|--------|
| Annual Measure: Percent of time that the Non-Secure Internet Protocol Router Network (NIPRNET) access circuit is available. NIPRNET is the unclassified IT system. | 2000 | > 98.5% | 99.63% |
| | 2001 | > 98.5% | 99.50% |
| | 2002 | > 98.5% | 99.5% |
| | 2003 | > 98.5% | 99.5% |
| Annual Measure: Number of bases upgraded by the Army Installation Information Infrastructure Modernization Program (IIMP) | 2001 | 5 | 5 |
| | 2002 | 8 | 8 |
| | 2003 | 5 | 5 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Update on Follow-up Actions:

Recommended Follow-up Actions

DoD will develop common metrics to assess program performance across the department.

Status

Action taken, but not completed

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|--------------------|----------------------|----------------------|
| 3,625 | 4,244 | 4,021 |

Program: Defense Health

Agency: Department of Defense--Military Bureau: Defense Health

Rating: Adequate

Program Type: Direct Federal

Last Assessed: 1 year ago

Key Performance Measures from Latest PART

Year

Target

Actual

| | | | |
|---|------|-----|-----|
| Annual Measure: Patient Satisfaction Surveys | 2003 | 69% | 61% |
| | 2004 | 66% | 53% |
| | 2005 | 67% | |
| | 2006 | 68% | |
| Annual Efficiency Measure: Measures are being developed on inpatient and outpatient costs in the direct care system. | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Annual Efficiency Measure: Measures are being developed on the medical readiness status of active duty members | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Recommended Follow-up Actions

Status

Further the implementation of the DoD/VA joint sharing strategic plan.

Action taken, but not completed

Improve coordination with VA through sharing of enrollment and patient record data as well as through implementation of several joint medical sites.

Action taken, but not completed

Develop efficiency measures and identify how it can link performance results to its budget.

Action taken, but not completed

Take steps to finalize performance measures with annual targets that are aligned to its new strategic plan.

Action taken, but not completed

Update on Follow-up Actions:

The program has begun to develop new performance measures and collect data that once validated and reviewed will be updated at the next assessment. DoD and VA are currently revising their joint strategic plan to improve sharing. Process continues on the sharing of electronic patient information between DoD and VA, as discussed in the VA and DoD sections of this budget.

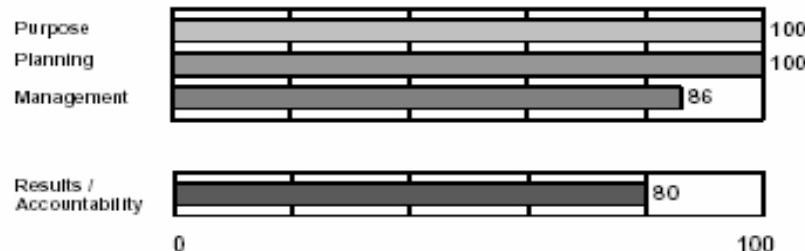
Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|--------------------|----------------------|----------------------|
| 17,769 | 18,177 | 19,792 |

Program: *Depot Maintenance - Naval Aviation*

Agency: *Department of Defense--Military*

Bureau: *Department of the Navy*



Key Performance Measures from Latest PART **Year** **Target** **Actual**

| | | | |
|---|------|------|------|
| Annual Measure: Airframes - Estimated Inductions. This measures the number of airframes that the Navy plans on sending to air depots for maintenance. | 2004 | 832 | 744 |
| | 2005 | 897 | 840 |
| | 2006 | 856 | |
| | | | |
| Annual Measure: Engines - Estimated Inductions. This measures the number of aircraft engines that the Navy plans on sending to air depots for maintenance. | 2004 | 1772 | 1593 |
| | 2005 | 1792 | 1649 |
| | 2006 | 1913 | |
| | | | |
| Annual Measure: Aircraft Mission Capable Rate. This measures the percent of Naval aircraft that are capable of performing their designed missions. There will always be a percentage of aircraft not mission capable due to scheduled maintenance. | 2004 | 73% | 73% |
| | 2005 | 73% | 73% |
| | 2006 | 73% | |
| | | | |

Rating: *Effective*

Program Type: *Direct Federal*

Program Summary:

The Navy Aircraft Depot Maintenance program conducts major repair and overhauls of naval aircraft to ensure that sufficient quantities are available to operational units. Safe, operational aircraft are key to maintaining the Navy's readiness to deploy in support of national security objectives.

The PART assessment shows:

- The Navy consistently and effectively meets its goals of providing safe, reliable aircraft to its warfighters.
- The Navy consistently repairs 90 percent of the aircraft it plans to maintain.
- Naval aircraft operate at a high level of readiness.
- The Navy's aircraft depot maintenance metrics do not clearly link the program's outputs to its desired outcome.

In response to these findings, the administration will:

1. Work in the next year to develop indicators that measure adherence to the maintenance schedule; quality control; and mission capable rates.
2. More closely align funding decisions to the improved metrics.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|--------------------|----------------------|----------------------|
| 1,078 | 980 | 962 |

Program: Depot Maintenance - Ship

Agency: Department of Defense-Military

Bureau: Department of the Navy



Key Performance Measures from Latest PART **Year** **Target** **Actual**

| Annual Measure: Overhauls | 2004 | 3 | 3 |
|---|------|----|----|
| | 2005 | 4 | 4 |
| | 2006 | 4 | |
| | | | |
| Annual Measure: Selected Restricted Availabilities | 2004 | 53 | 59 |
| | 2005 | 63 | 68 |
| | 2006 | 66 | |
| | | | |
| Annual Measure: Planned Incremental Availabilities | 2004 | 2 | 3 |
| | 2005 | 2 | 3 |
| | 2006 | 7 | |
| | | | |

Rating: Effective

Program Type: Direct Federal

Program Summary:

The Navy Ship Depot Maintenance maintains the appropriate material condition of naval ships. Naval ships must be properly maintained to ensure the safety of U.S. sailors and to ensure their availability to deploy for military operations.

The PART assessment shows:

- The Navy's depot maintenance program allows Navy ships to continue to operate around the world at a high state of readiness.
- Metrics that measure maintenance schedules can be skewed by wartime requirements and do not reflect poor performance.

In response to these findings, the Administration will:

1. Work in the next year to develop indicators that measure adherence to maintenance schedule; quality control; and mission capable rates.
2. Align funding decisions for ship depot maintenance to performance metrics.
3. Work to improve the program's financial management practices.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|--------------------|----------------------|----------------------|
| 4,107 | 3,889 | 3,967 |

Program: Facilities Sustainment, Restoration, Modernization, and

Agency: Department of Defense--Military
Bureau: Operation and Maintenance

Rating: Adequate

Program Type: Direct Federal

Last Assessed: 2 years ago

| Key Performance Measures from Latest PART | Year | Target | Actual | Recommended Follow-up Actions | Status |
|--|-------------|---------------|---------------|---|---------------------------------|
| Long-term Measure: Rate, expressed in years, in which planned facilities are restored, modernized, or replaced, given planned investment spending (lower, but not below target, is better) (New measure) | 2003 | 67 yrs | 138 yrs | Continue to work to eliminate excess facilities. | Action taken, but not completed |
| | 2004 | 67 yrs | 111 yrs | | |
| | 2005 | 67 yrs | 104 yrs | Improve program management. Performance should improve once managers begin managing more strictly to the new performance management tools. Accountability systems have been put in place to help. | Action taken, but not completed |
| | 2006 | 67 yrs | | | |
| Annual Measure: Percentage of day-to-day maintenance funded (target level keeps facilities in good working order) (New measure) | 2003 | 100% | 93% | Pursue a facilities readiness or condition reporting system that yields more objective, consistent results. | Action taken, but not completed |
| | 2004 | 100% | 100% | | |
| | 2005 | 100% | 95% | | |
| | 2006 | 100% | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

Update on Follow-up Actions:

The Department of Defense continues to improve its management of facilities sustainment, restoration, modernization, and demolition--particularly as it implements the real property management initiatives contained in the President's Management Agenda. As a part of this initiative, the Department has begun implementing less subjective facilities readiness indicators. These indicators will not be fully in place, however, until 2006. The 2005 round of base closure and realignment will further help the Department manage its real property, by allowing it to eliminate its excess infrastructure, which is estimated to be as high as 23 percent.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|--------------------|----------------------|----------------------|
| 11,189 | 11,291 | 12,795 |

Program: *Military Force Management*

Agency: *Department of Defense--Military Bureau:*

Rating: *Effective*

Program Type: *Direct Federal*

Last Assessed: *1 year ago*

| Key Performance Measures from Latest PART | Year | Target | Actual |
|---|-------------|----------------|---------------|
| Annual Measure: Active Duty End-Strength - percentage of manning goal achieved | 2003 | 99.5% to 102% | 103.2% |
| | 2004 | 99.5% to 102% | 1.017 |
| | 2005 | 99.5% to 102% | |
| | 2006 | 99.5% to 102% | |
| Annual Measure: Reserve End-Strength | 2003 | >99.5% & <102% | 101.2% |
| | 2005 | >99.5% & <102% | |
| | 2006 | >99.5% & <102% | |
| | | | |
| Annual Measure: Active Duty Recruiting - yearly percentage of required accessions achieved | 2003 | 100.0% | 101.0% |
| | 2004 | 100.0% | 101.0% |
| | 2005 | 100.0% | |
| | 2006 | 100.0% | |

Recommended Follow-up Actions

Evaluate the entire military personnel compensation package, rather than making piecemeal recommendations.

Improve its pay and personnel systems, and include reserve systems.

Develop additional evaluation measures to rate the efficiency of its bonus and other programs, rather than just their effectiveness.

Status

Action taken, but not completed

Action taken, but not completed

Action taken, but not completed

Update on Follow-up Actions:

The Secretary of Defense initiated the Defense Advisory Committee on Military Compensation (DACMC) to identify how to adjust military pay and benefits to sustain recruitment and retention of high-quality people, and maintain a cost-effective and ready military force. The Department of Defense is also working on an integrated pay and personnel system for active and reserve components. It is expected to be ready by the end of 2005. Finally, the Department of Defense continues to refine its data collection to ensure it is able to monitor the recruitment and retention of the necessary personnel.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|--------------------|----------------------|----------------------|
| 115,549 | 105,273 | 108,942 |

Program: Navy/Marine Corps Air Operations

Agency: Department of Defense--Military

Bureau: Navy



Key Performance Measures from Latest PART **Year** **Target** **Actual**

| Annual Measure: Flying Hours (000s) | 2003 | Baseline | 791 |
|--|------|----------|--------|
| | 2004 | 672 | 689 |
| | 2005 | 656 | |
| | 2006 | 782 | |
| | | | |
| Annual Measure: Readiness Level T-rating takes into account the average number of hours per month flown by crews for various aircraft types, and compares them to national standards. Lower T-ratings relate to higher levels of readiness. | 2003 | Baseline | T-2.02 |
| | 2004 | T-2.6 | T-2.2 |
| | 2005 | T-2.5 | |
| | 2006 | T-2.5 | |
| | | | |

Rating: Effective

Program Type: Direct Federal

Program Summary:

The Navy and Marine Corps Air Operations program produces trained crews and ready aircraft for service with the fleet. These crews and aircraft link up to provide expeditionary air power to be deployed independent of foreign bases in support of national security objectives.

The PART assessment shows:

- The Navy and Marine Corps routinely and effectively deploy expeditionary air power in support of the requirements of the regional war-fighting commanders.
- The Department of the Navy reevaluates the levels of training and resources required to meet national security objectives on a continuous and ongoing basis through the Naval Aviation Readiness Integrated Improvement Process (NAVRPIP).
- The Navy has changed the manner in which it trains, maintains and deploys carrier air wings by implementing the Fleet Response Plan (FRP). The FRP goal is to obtain a more efficient ratio of periods between when a unit is ready for deployment and when it is undergoing maintenance and training.

In response to these findings, the Administration will:

- Evaluate base operations as an individual program in the future. It was included in this PART due to its role in enabling operations.
- Continue to evaluate the implementation of the FRP with relation to the air operations program to ensure proper readiness levels are maintained and that global presence requirements are being met for the war-fighting commanders.
- Provide adequate funding to support the FRP goals so that the Nation has the capability to surge six carrier strike groups and their air wings in 30 days, and two additional carrier strike groups and air wings within 90 days.

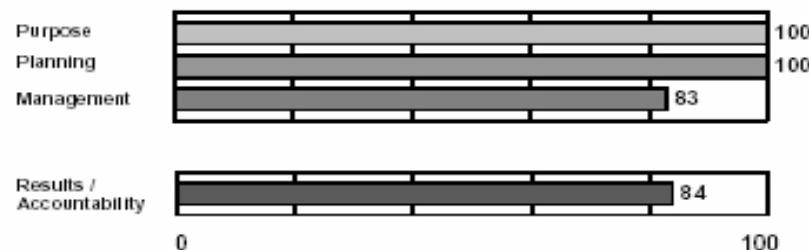
Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|-------------|---------------|---------------|
| 4,632 | 5,687 | 5,649 |

Program: Navy Ship Operations

Agency: Department of Defense--Military

Bureau: Department of Navy



Key Performance Measures from Latest PART

| Annual Measure: | Year | Target | Actual |
|---|------|-----------|-----------|
| Days Underway Per Quarter (Deployed/Non-Deployed) | 2004 | 51/24 | 60/33 |
| | 2005 | 51/24 | |
| | 2006 | 51/24 | |
| | | | |
| Ship Operating Months (Deployed/Non-Deployed) | 2004 | 586/1,284 | 523/2,242 |
| | 2005 | 698/2,031 | |
| | 2006 | 691/1,962 | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Rating: Effective

Program Type: Direct Federal

Program Summary:

The Navy Ship Operations program provides for all aspects of operations and training of ships to continuously deploy combat ready vessels in support of national security objectives.

The PART assessment shows:

- The Navy routinely and effectively deploys combat ready ships in support of the requirements of regional war-fighting commanders.
- The Navy has changed the manner in which it trains, maintains and deploys ships by implementing the Fleet Response Plan (FRP). The FRP goal is to obtain a more efficient ratio of periods between when a ship is ready for deployment and when it is undergoing maintenance and thereby unavailable.
- The Navy reviews on a continuous basis its operations and future requirements for the ship operations program, balancing risk and program levels while incorporating the latest pricing and execution data.

In response to these findings, the Administration will:

- Evaluate base operations as an individual program in the future. It was included in this PART due to its role in enabling operations.
- Continue to evaluate the implementation of the FRP to ensure proper readiness levels are maintained and that global presence requirements are being met for the war-fighting commanders.
- Provide adequate funding to support the FRP goals so that the Nation has the capability to surge six carrier strike groups in 30 days, and two additional carriers within 90 days.

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|-------------|---------------|---------------|
| 4,372 | 4,224 | 4,406 |

Program: Recruiting

Agency: Department of Defense-Military

Bureau: Operation and Maintenance

Rating: Moderately Effective

Program Type: Direct Federal

Last Assessed: 2 years ago

| Key Performance Measures from Latest PART | Year | Target | Actual | Recommended Follow-up Actions | Status |
|--|-------------|---------------|---------------|---|---------------|
| Long-term Measure: Number of personnel required to meet military needs In addition to exceeding the required number of recruits, quality goals have been met over the past three years. | 2000 | 202 | 202 | Create a quarterly execution report to track program performance and program efficiency. | Completed |
| | 2001 | 195 | 196 | | |
| | 2002 | 195 | 196 | | |
| | 2005 | 175 | | | |
| Annual Measure: Average cost of recruiting a new member into the Armed Forces (The numbers in this table represent the total cost of the program divided by the number of recruits. This measure is not currently used as a performance goal - it is only a measure of the expected cost of the program. The Administration recommends this performance measure.) | 2002 | | \$13,332 | Recommend the Department of Defense create better information systems to allow more management information flow to the program managers. This new system should support separating out and measuring fixed and variable costs, measures of management efficiency, and performance information for the results of particular inputs. Such a system would increase the information available to the program managers about the effectiveness of each of the elements of the program, allowing them to take a broader look at the available resources and apply them more efficiently. | Completed |
| | 2003 | \$13,662 | \$13,828 | | |
| | 2004 | \$14,162 | \$14,286 | | |
| | 2005 | \$14,552 | | | |
| Annual Efficiency Measure: Measure Under Development | 2005 | | | | |
| | 2006 | | | | |
| | | | | | |
| | | | | | |

Update on Follow-up Actions:

Program Funding Level (in millions of dollars)

| 2004 Actual | 2005 Estimate | 2006 Estimate |
|--------------------|----------------------|----------------------|
| 1,935 | 2,048 | 2,217 |

Operation and Maintenance

Performance Criteria

This Appendix consolidates copies of the performance criteria contained in the other Operation and Maintenance justification materials for the following areas:

Army Land Forces Operations
Marine Corps Combat Ready Days
Army/ National Guard / Reserve Air Operations
 Air Force Air Operations
 Navy / Reserve Air Operations
 Navy / Reserve Ship Operations
 Army Depot Maintenance
 Air Force Depot Maintenance
 Navy Depot Maintenance
Facilities, Sustainment, Restoration, Modernization, and Demolition
 Defense Health

THIS PAGE INTENTIONALLY BLANK

Army – Operating Forces/Land Forces - Divisions

Maneuver Pacing Items: Major equipment items that are key to a unit's capability to perform its doctrinal mission. Quantities represent the average number of items per year. FY 2004 actual column includes funding from the FY 2004 supplemental, transfers from the Iraq Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 "Normalized Current Estimate" does not include supplemental funds.

Divisions

| | | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|---------------------------------------|--------|----------------|----------------|----------------|
| A. Tracked Combat Vehicles | | | | |
| Abrams Tank System | M1A1 | 884 | 869 | 869 |
| | M1A2 | 450 | 479 | 464 |
| Bradley Fighting Vehicle System | M2A2 | 1,104 | 847 | 740 |
| | M2A3 | 276 | 431 | 508 |
| | M3A2 | 164 | 239 | 239 |
| | M3A3 | 82 | 157 | 232 |
| Stryker Infantry Combat Vehicle (ICV) | ICV | 586 | 293 | 0 |
| B. Aircraft | | | | |
| Kiowa Warrior | OH-58D | 248 | 210 | 206 |
| Chinook | CH-47D | 48 | 60 | 96 |
| | CH-47F | 0 | 0 | 0 |
| Apache | AH-64A | 60 | 0 | 0 |
| Longbow Apache | AH-64D | 120 | 297 | 330 |
| Black Hawk | UH-60A | 0 | 112 | 154 |
| | UH-60L | 326 | 324 | 344 |
| | UH-60M | 0 | 0 | 0 |

| C. <u>Combat Support Pacing Item</u> | | FY 2004 | FY 2005 | FY 2006 |
|---|-----------|----------------|----------------|----------------|
| 105MM Towed Howitzer | M119A1 | 180 | 234 | 256 |
| 155MM Self-Propelled (SP) Howitzer | M109A6 | 306 | 326 | 354 |
| Bradley Fire Support Team Vehicle | BFSTV | 90 | 160 | 160 |
| 155MM Towed Howitzer | M198 | 40 | 18 | 0 |
| Armored Vehicle Launch Bridge (AVLB) | M60 | 180 | 132 | 108 |
| Multiple Launch Rocket System | M270 | 84 | 54 | 0 |
| | M270A1 | 0 | 18 | 0 |
| Armored Recovery Vehicle | M88 | 409 | 345 | 364 |
| | M88A2 | 136 | 177 | 164 |
| Short Range Air Defense Weapon System | Avenger | 378 | 222 | 210 |
| Linebacker | M6 | 80 | 32 | 56 |
| Armored Personnel Carrier (APC) | M113A3 | 967 | 794 | 801 |
| Heavy Assault Bridge | Wolverine | 24 | 0 | 0 |
| Armored Combat Earthmover | M9 | 321 | 327 | 333 |

D. Maneuver Battalions/Squadrons

| | | | |
|---|------------|------------|------------|
| Air Defense Battalion | 11 | 6 | 6 |
| Armor Battalion | 26 | 17 | 14 |
| Armor Cavalry Squadron | 6 | 3 | 2 |
| Armor Cavalry Squadron (Light) | 2 | 1 | 0 |
| Brigade Combat Team – Heavy Battalion | 0 | 16 | 24 |
| Brigade Combat Team – Light Battalion | 0 | 17 | 32 |
| Brigade Combat Team - Reconnaissance Squadron | 0 | 8 | 12 |
| Field Artillery Battalion | 35 | 38 | 37 |
| Infantry Battalion (Mechanized) | 23 | 14 | 12 |
| Infantry Battalion (Air Assault) | 11 | 2 | 2 |
| Infantry Battalion (Airborne) | 9 | 9 | 0 |
| Infantry Battalion (Light) | 12 | 6 | 0 |
| SBCT-Infantry | 6 | 3 | 0 |
| SBCT-Reconnaissance, Surveillance and Target Acquisition (RSTA) | 2 | 1 | 0 |
| Total Maneuver Battalions/Squadrons | 143 | 141 | 141 |

| E. Aviation Battalions | FY 2004 | FY 2005 | FY 2006 |
|---|----------------|----------------|----------------|
| Air Cavalry Squadron (OH-58) | 3 | 0 | 0 |
| Assault Battalion | 7 | 8 | 10 |
| Attack Battalion (AH-64) | 9 | 13 | 14 |
| Reconnaissance / Attack Battalion (OH-58) | 4 | 6 | 6 |
| Command Aviation Battalion | 1 | 0 | 1 |
| General Support Aviation Battalion (GSAB) | 5 | 8 | 10 |
| Heavy Battalion (CH-47) | 1 | 0 | 0 |
| Reconnaissance Squadron (OH-58) | 1 | 0 | 0 |
| Total for Aviation Battalions | 31 | 35 | 41 |

| F. Combat Support Battalions | FY 2004 | FY 2005 | FY 2006 |
|--|----------------|----------------|----------------|
| Engineer Battalion | 21 | 13 | 8 |
| Military Intelligence Battalion | 10 | 6 | 3 |
| Signal Battalion | 10 | 6 | 3 |
| Total for Combat Support Battalions | 41 | 25 | 14 |

| G. Ground OPTEMPO Measures (All Land Forces) | | | |
|---|-----------|-----------|-----------|
| Average Tank Miles Budgeted ¹ | 899 | 899 | 850 |
| Average Tank Miles Executed ² | 1512 | | |
| Percent of Tank Miles Executed | 168% | | |
| Ground OPTEMPO (\$000) Budgeted | 3,226,382 | 3,343,733 | 3,022,306 |
| Ground OPTEMPO (\$000) Executed ³ | 3,465,301 | | |
| Percent of Ground OPTEMPO Funds Executed | 107% | | |

| H. Ground OPTEMPO Measures (Divisions Only) | | | |
|--|-----------|-----------|---------|
| Ground OPTEMPO (\$000) Budgeted | 1,163,178 | 1,092,581 | 613,941 |
| Ground OPTEMPO (\$000) Executed ³ | 1,352,770 | | |
| Percent of Ground OPTEMPO Funds Executed | 116% | | |

| I. Air OPTEMPO Measures (Divisions Only) | FY 2004 | FY 2005 | FY 2006 |
|---|----------------|----------------|----------------|
| Flying Hours Budgeted (000) | 175 | 225 | 110 |
| Total Hours Flown (000) ² | 227 | | |
| Percent of Hours Flown | 130% | | |
| Flying Hour (\$000) Budgeted | 326,319 | 447,694 | 252,188 |
| Flying Hour (\$000) Executed | 245,119 | | |
| Percent of Flying Hour Funds Executed | 75% | | |

Notes:

- 1 Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater).
- 2 Execution includes both home station and contingency operations (i.e., OIF) for both tank miles and flying hours.
- 3 Some supplemental dollars included in SAG execution.

Army – Operating Forces/Land Forces – Corps Combat Forces

Maneuver Pacing Items: Major equipment items that are key to a unit's capability to perform its doctrinal mission. Quantities represent the average number of items per year. FY 2004 actual column indices the FY 2004 supplemental, transfers from the Iraq Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 "Normalized Current Estimate" does not include supplemental funds.

Corps Combat Forces

| | | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|---|--------|-----------------------|-----------------------|-----------------------|
| A. <u>Combat Vehicles</u> | | | | |
| Abrams Tank System | M1A1 | 14 | 14 | 14 |
| | M1A2 | 123 | 123 | 123 |
| Bradley Fighting Vehicle System | M2A2 | 39 | 49 | 49 |
| | M3A2 | 125 | 125 | 125 |
| Tank | M551 | 0 | 30 | 30 |
| Stryker Infantry Combat Vehicle (ICV) | ICV | 27 | 842 | 1428 |
| B. <u>Aircraft</u> | | | | |
| Kiowa Warrior | OH-58D | 48 | 48 | 54 |
| Chinook | CH-47D | 49 | 42 | 14 |
| Apache | AH-64A | 21 | 0 | 0 |
| Longbow Apache | AH-64D | 114 | 50 | 37 |
| Black Hawk | UH-60A | 26 | 36 | 32 |
| | UH-60L | 70 | 66 | 66 |
| C. <u>Combat Support Pacing Item</u> | | | | |
| 105MM Towed Howitzer | M119A1 | 0 | 32 | 32 |
| 155MM Self-Propelled (SP) Howitzer | M109A6 | 72 | 72 | 54 |
| Bradley Fire Support Team Vehicle | BFSTV | 12 | 12 | 12 |
| 155MM Towed Howitzer | M198 | 84 | 60 | 66 |
| Armored Vehicle Launch Bridge (AVLB) | M60 | 43 | 43 | 43 |
| Multiple Launch Rocket System | M270 | 225 | 126 | 90 |
| | M270A1 | | 72 | 72 |

| | | FY 2004 | FY 2005 | FY 2006 |
|---|---------|----------------|----------------|----------------|
| Armored Recovery Vehicle | M88 | 106 | 84 | 73 |
| | M88A2 | 5 | 26 | 26 |
| Short Range Air Defense Weapon System | Avenger | 32 | 8 | 8 |
| Linebacker | M6 | 0 | 0 | 0 |
| Armored Personnel Carrier (APC) | M113A3 | 103 | 61 | 88 |
| Armored Combat Earthmover | M9 | 24 | 6 | 24 |
| Patriot Launcher | Patriot | 200 | 180 | 180 |
| D. Maneuver Battalions/Squadrons | | | | |
| Air Defense Battalion | | 6 | 6 | 6 |
| Armor Cavalry Squadron | | 3 | 3 | 3 |
| Armor Cavalry Squadron (Light) | | 3 | 0 | 0 |
| Brigade Combat Team – Light Battalion | | 0 | 2 | 2 |
| Field Artillery Battalion | | 19 | 22 | 21 |
| Infantry Battalion (Airborne) | | 3 | 1 | 1 |
| Infantry Battalion (Light) | | 2 | 3 | 3 |
| SBCT-Infantry | | 3 | 9 | 15 |
| SBCT-Reconnaissance, Surveillance and Target Acquisition (RSTA) | | 1 | 2 | 5 |
| Total for Maneuver Battalions/Squadrons | | 40 | 48 | 56 |
| E. Aviation Battalions | | | | |
| Assault Battalion | | 1 | 1 | 1 |
| Attack Battalion (AH-64) | | 6 | 2 | 1 |
| Command Aviation Battalion | | 2 | 1 | 1 |
| Regimental Aviation Squadron | | 2 | 2 | 2 |
| Regimental Aviation Squadron (LT) | | 0 | 0 | 0 |
| Total for Aviation Battalions | | 11 | 8 | 5 |
| F. Combat Support Battalions | | | | |
| Engineer Battalion | | 2 | 2 | 2 |
| Total for Combat Support Battalions | | 2 | 2 | 2 |

| G. Ground OPTEMPO Measures (Corps Combat Forces)¹ | FY 2004 | FY 2005 | FY 2006 |
|---|----------------|----------------|----------------|
| Ground OPTEMPO (\$000) Programmed | 297,466 | 304,338 | 300,187 |
| Ground OPTEMPO (\$000) Executed ³ | 297,789 | | |
| Percent of Ground OPTEMPO Funds Executed | 100% | | |
| H. Air OPTEMPO Measures(Corps Combat Forces) | | | |
| Flying Hours Programmed (000) | 68 | 49 | 34 |
| Total Hours Flown (000) ² | 79 | | |
| Percent of Hours Flown | 116% | | |
| Flying Hour (\$000) Programmed | 173,944 | 120,898 | 72,624 |
| Flying Hour (\$000) Executed | 101,694 | | |
| Percent of Flying Hour Funds Executed | 58% | | |

Notes:

- 1 Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.
- 2 Execution includes both home station and contingency operations (i.e., OIF) for flying hours.
- 3 Some supplemental dollars included in SAG execution.

Army – Operating Forces/Land Forces – Corps Support Forces

Maneuver Pacing Items: Major equipment items that are key to a unit's capability to perform its doctrinal mission. Quantities represent the average number of items per year. FY 2004 actual column includes funding from the FY 2004 supplemental, transfers from the Iraq Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 "Normalized Current Estimate" does not include supplemental funds.

Corps Support Forces

| | | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|--|--------|----------------|----------------|----------------|
| A. Aircraft | | | | |
| Black Hawk | UH-60A | 107 | 27 | 12 |
| | UH-60L | 0 | 0 | 0 |
| Quick Look (Fixed Wing) | RC-12 | 31 | 31 | 31 |
| B. Combat Support Pacing Items | | | | |
| Armored Vehicle Launch Bridge (AVLB) | M60 | 0 | 12 | 12 |
| Armored Recovery Vehicle | M88 | 2 | 9 | 11 |
| | M88A2 | 9 | 12 | 11 |
| C. Combat Support Battalions | | | | |
| Engineer Battalion | | 7 | 7 | 8 |
| Medical Battalion | | 2 | 2 | 2 |
| Military Intelligence Battalion | | 9 | 9 | 9 |
| Signal Battalion | | 9 | 9 | 7 |
| Total for Combat Support Battalions | | 27 | 27 | 26 |
| D. Ground OPTEMPO Measures (Corps Support Forces)¹ | | | | |
| Ground OPTEMPO (\$000) Programmed | | 323,636 | 370,449 | 341,991 |
| Ground OPTEMPO (\$000) Executed ³ | | 393,119 | | |
| Percent of Ground OPTEMPO Funds Executed | | 121% | | |

| E. Air OPTEMPO Measures (Corps Support Forces) | FY 2004 | FY 2005 | FY 2006 |
|---|----------------|----------------|----------------|
| Flying Hours Programmed (000) | 43 | 23 | 20 |
| Total Hours Flown (000) ² | 35 | | |
| Percent of Hours Flown ⁴ | 81% | | |
| Flying Hour (\$000) Programmed | 54,376 | 12,204 | 9,682 |
| Flying Hour (\$000) Executed | 53,957 | | |
| Percent of Flying Hour Funds Executed | 99% | | |

Notes:

- 1 Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.
- 2 Execution includes both home station and contingency operations (i.e., OIF) for flying hours.
- 3 Some supplemental dollars included in SAG execution.
- 4 Sixty-five percent of under executed hours are for fixed wing (FW) aircraft. Flying Hour Program only pays for fuel for FW aircraft, approximately \$100 per hour. Rotary wing (RW) aircraft under this SAG executed 90% of the hours funded.

Army – Operating Forces/Land Forces – Echelon Above Corps Forces

Maneuver Pacing Items: Major equipment items that are key to a unit's capability to perform its doctrinal mission. Quantities represent the average number of items per year. FY 2004 actual column includes funding from the FY 2004 supplemental, transfers from the Iraq Freedom Fund, and FY 2004/2005 Title IX funds. FY 2005 "Normalized Current Estimate" does not include supplemental funds.

| <u>Echelon Above Corps Forces</u> | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|--|-----------------------|-----------------------|-----------------------|
| A. Aircraft | | | |
| Chinook | CH-47D | 46 | 44 |
| Black Hawk | UH-60A | 98 | 71 |
| | UH-60L | 8 | 8 |
| Airborne Reconnaissance Low (ARL) | RC-7 | 8 | 9 |
| Airplane (Fixed Wing) | C-12 | 17 | 20 |
| Jet Airplane (Fixed Wing) | C-20 | 0 | 3 |
| | C-37 | 0 | 2 |
| | UC-35 | 10 | 14 |
| Quick Look (Fixed Wing) | RC-12 | 9 | 9 |
| Utility Helicopter | UH-1 | 0 | 2 |
| B. Combat Support Pacing Item | | | |
| 105MM Towed Howitzer | M119A1 | 6 | 6 |
| Armored Recovery Vehicle | M88 | 8 | 6 |
| Patriot Launcher | Patriot | 80 | 80 |
| C. Maneuver Battalions/Squadrons | | | |
| Air Defense Battalion | 4 | 5 | 5 |
| Total for Maneuver Battalions/Squadrons | 4 | 5 | 5 |
| D. Aviation Battalions | | | |
| Command Aviation Battalion | 1 | 1 | 1 |
| Heavy Battalion (CH-47) | 1 | 1 | 1 |
| Theater Aviation Battalion | 2 | 2 | 2 |
| Total for Aviation Battalions | 4 | 4 | 4 |

| | FY 2004 | FY 2005 | FY 2006 |
|--|----------------|----------------|----------------|
| E. Combat Support Battalions | | | |
| Engineer Battalion | 1 | 1 | 1 |
| Medical Battalion | 2 | 2 | 2 |
| Military Intelligence Battalion | 9 | 11 | 9 |
| Signal Battalion | 9 | 9 | 10 |
| Total for Combat Support Battalions | 21 | 23 | 22 |
| F. Ground OPTEMPO Measures (EAC Support Forces)¹ | | | |
| Ground OPTEMPO (\$000) Programmed | 379,948 | 413,582 | 532,347 |
| Ground OPTEMPO (\$000) Executed ³ | 483,545 | | |
| Percent of Ground OPTEMPO Funds Executed | 127% | | |
| G. Air OPTEMPO Measures (EAC Support Forces) | | | |
| Flying Hours Programmed (000) | 63 | 67 | 59 |
| Total Hours Flown (000) ² | 50 | | |
| Percent of Hours Flown ⁴ | 79% | | |
| Flying Hour (\$000) Programmed | 79,990 | 77,441 | 58,942 |
| Flying Hour (\$000) Executed | 78,515 | | |
| Percent of Flying Hour Funds Executed | 98% | | |

Notes:

- 1 Tank mile metric is an average tracked at MACOM level and not by unit type (i.e., division, corps, theater). See Subactivity Group 111 (Divisions) for all Land Forces Tank Mile Metrics.
- 2 Execution includes both home station and contingency operations (i.e., OIF) for flying hours.
- 3 Some supplemental dollars included in SAG execution.
- 4 All under executed hours are for fixed wing (FW) aircraft. Flying Hour Program only pays for fuel for FW aircraft, approximately \$140 per hour.

Army – Operating Forces/Land Forces – Combat Training Centers

| <u>Combat Training Centers (CTC)</u> | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|---|-----------------------|-----------------------|-----------------------|
| <u>GROUND</u> | | | |
| Throughput (Inventory Numbers – Active Component only except Battle Command Training Program (BCTP))¹ | | | |
| BCTP (Divisions/Corps) ¹ | 6/3 | 7/2 | 7/3 |
| Combat Maneuver Training Center (CMTC) (Battalions) | 10 | 10 | 13 |
| Joint Readiness Training Center (JRTC) (Battalions) ² | 28 | 41 | 35 |
| National Training Center (NTC) (Battalions) ² | 24 | 35 | 35 |
| Rotations (Number of Rotations)³ | | | |
| BCTP (Divisions/Corps) ¹ | 6/3 | 7/2 | 7/3 |
| CMTC (Brigades) | 3 | 4 | 4 |
| JRTC (Brigades) ⁴ | 9 | 13 | 11 |
| NTC (Brigades) | 8 | 11 | 11 |
| <u>AIR (Joint Air Ground Center of Excellence)</u> | | | |
| (Number of Attack Aviation Battalions) | | | |
| CMTC (Victory Strike - Battalions) | 0 | 0 | 2 |
| Western Army National Guard Training Site (Battalions) | 1 | 3 | 3 |
| <u>Joint National Training Capability (JNTC)</u> | | | |
| JNTC (Number of events)* | 2 | 5 | 6 |

Notes:

- 1 The number of division BCTP includes two ARNG divisions per Fiscal Year.
 - 2 Number of battalions increased from previous years due to modular/UA organization and training requirements plus inclusion of SOF battalions.
 - 3 Throughput and rotation numbers reflect scheduled events, which may vary in the year of execution.
 - 4 JRTC schedules include one SBCT certification rotation per FY.
- * JNTC numbers represent Army participation in a JNTC event while conducting a CTC rotation (it is not additive)

Marine Corps – Combat Ready Days

| | FY 2004 | | FY 2005 | | FY 2006 |
|--|----------|---------|----------|----------|----------|
| | Budgeted | Actual | Budgeted | Estimate | Estimate |
| Funds Allocated to Training and Equipment Maintenance (\$M) | n/a | 403.831 | n/a | 411.053 | 415.505 |
| Combat REady Days-Equipment and Training (CRED-ET) | n/a | 93,708 | n/a | 100,000 | 100,000 |
| Cost Per CRED-ET (\$000) | n/a | 4.309 | n/a | 4.111 | 4.155 |
| Total Possible CRED-ETs | n/a | 113,571 | n/a | 113,571 | 113,571 |
| % Achieved | n/a | 83% | n/a | 88% | 88% |

Army National Guard – Air Operations

Description of Operations Financed: The ARNG Flying Hour Program provides training for fixed and rotary wing air crew members, aviation units, and supported combined arms teams to achieve and sustain designated combat readiness.

| <u>PROGRAM DATA</u> | <u>FY 2004 Actuals</u> | <u>Change</u> | <u>FY 2005 Estimate</u> | <u>Change</u> | <u>FY 2006 Estimate</u> |
|---|-----------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| Inventory (Primary Aircraft Authorized End of FY) | | | | | |
| Other (Rotary Wind-Incl MTOE, TDA, Counterdrug) | 1,319 | -36 | 1,283 | 2 | 1,285 |
| Other (Fixed Wing) | | | | | |
| Fixed Wing – Training | 0 | 0 | 0 | 0 | 0 |
| Fixed Wing – Other (OSA, Jets, RDT&E) | 123 | -9 | 114 | 0 | 114 |
| Total | 1,442 | -45 | 1,397 | 2 | 1,399 |
| Inventory (Total Aircraft Inventory End of FY) | | | | | |
| Other (Rotary Wind-Incl MTOE, TDA, Counterdrug) | 1,319 | -36 | 1,283 | 2 | 1,285 |
| Other (Fixed Wing) | | | | | |
| Fixed Wing – Training | 0 | 0 | 0 | 0 | 0 |
| Fixed Wing – Other (OSA, Jets, RDT&E) | 123 | -9 | 114 | 0 | 114 |
| Total | 1,442 | -45 | 1,397 | 2 | 1,399 |
| Flying Hours (000s) | | | | | |
| Other (Rotary Wing-Incl Counterdrug) | 235.7 | -47.8 | 187.9 | 6.1 | 194.0 |
| Other (Fixed Wing) | 56.4 | 14 | 70.5 | -24.9 | 45.6 |
| Crew Ratio (Avg) | | | | | |
| Other (Rotary Wing) | 1.5 | 0.0 | 1.5 | 0.0 | 1.5 |
| Other (Fixed Wing) | 2.3 | 0.0 | 2.3 | 0.0 | 2.3 |
| OPTEMPO (\$M) | | | | | |
| Other (Rotary Wing-Incl Counterdrug) | 293.6 | -69.7 | 223.9 | 41.1 | 265.0 |
| Other (Fixed Wing) | 73.1 | 13 | 86.1 | -13.7 | 72.4 |

| <u>PROGRAM DATA</u> | <u>FY 2004 Actuals</u> | <u>Change</u> | <u>FY 2005 Estimate</u> | <u>Change</u> | <u>FY 2006 Estimate</u> |
|--------------------------------------|-----------------------------------|----------------------|------------------------------------|----------------------|------------------------------------|
| OPTEMPO (Hrs/Crew/Month) | | | | | |
| Other (Rotary Wing) | 9.2 | -1.9 | 7.3 | 0.3 | 7.6 |
| Other (Fixed Wing-Hrs/Aviator/Month) | 8.5 | 1 | 9.7 | 0.6 | 10.3 |
| Primary Mission Readiness (%) | | | | | |
| Other (Rotary Wing) | 75% | 0% | 75% | 0% | 75% |
| Other (Fixed Wing) | 80% | 0% | 80% | 0% | 80% |

Narrative Explanation of Changes: Significant Force Structure changes (equipment, personnel) have occurred as a result of the DA directed Army Aviation Transformation and Modernization Plan. Modernizing ARNG Aviation Systems has resulted with increases funding requirements, as well as significant reductions of legacy systems.

Army Reserve - AIR OPERATIONS

(\$ in Millions)

| | FY 2004 | Price | Program | FY2005 | Price | Program | FY2006 |
|-------------------|---------------|---------------|---------------|-----------------|---------------|---------------|-----------------|
| | <u>Actual</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> | <u>Change</u> | <u>Change</u> | <u>Estimate</u> |
| O&M, Army Reserve | 27.1 | 0.1 | 13.9 | 41.1 | 1.1 | 1.9 | 44.1 |

Description of Operation Financed: The Army Reserve Flying Hour Program resources aviation training and operational requirements throughout the Army Reserve. Included are funds for fuel, consumable repair parts and depot level repair parts to maintain the fleet. The program supports both unit training and operations. Army Reserve fixed wing and rotary wing units are included early in Force Packages I and II and support the requirements of the Combatant Commanders. Army Reserve fixed wing aircraft are an integral part of the military operational mission support airlift system on a daily basis.

| | FY 2004 <u>Actual</u> | FY2005 <u>Estimate</u> | | FY2006 <u>Estimate</u> |
|--|--------------------------|---------------------------|---------------|---------------------------|
| | <u>Change</u> | <u>Change</u> | <u>Change</u> | |
| <u>Primary Aircraft Authorized (PAA)- Rotary Wing</u> | 114.0 | -2.0 | 112.0 | 0.0 |
| <u>Total Aircraft Inventory (TAI) - Rotary Wing</u> | 114.0 | -2.0 | 112.0 | 0.0 |
| <u>O&M Funded Flying Hours (000) - Rotary Wing</u> | 14.8 | -1.1 | 13.7 | -0.5 |
| <u>OPTEMPO (Hrs/Crew/Month) - Rotary Wing*</u> | 7.9 | -1.3 | 6.6 | -0.2 |
| *Based on assigned aviators OPTEMPO is 9.0 | | | | |
| <u>OPTEMPO - Rotary Wing \$</u> | 24.3 | 13.8 | 38.1 | 1.4 |
| <u>Primary Mission Readiness (%) N/A</u> | | | | 39.5 |

(Continued)

| | FY 2004 <u>Actual</u> | Change | FY2005 <u>Estimate</u> | Change | FY2006 <u>Estimate</u> |
|---|----------------------------------|---------------|-----------------------------------|---------------|-----------------------------------|
| <u>Primary Aircraft Authorized (PAA) - Fixed Wing</u> | 40.0 | 0.0 | 40.0 | 0.0 | 40.0 |
| <u>Total Aircraft Inventory (TAI) - Fixed Wing</u> | 40.0 | 0.0 | 40.0 | 0.0 | 40.0 |
| <u>O&M Funded Flying Hours (000) - Fixed Wing</u> | 22.2 | 3.8 | 26.0 | 0.0 | 26.0 |
| <u>Crew Ratio (Average)</u> | 1.0 | 0.0 | 1.0 | 0.0 | 1.0 |
| <u>OPTEMPO (Avg Aircraft Hrs/Month) - Fixed Wing</u> | 54.0 | 0.0 | 54.0 | 0.0 | 54.0 |
| <u>OPTEMPO - Fixed Wing (\$)</u> | 2.8 | 0.1 | 2.9 | 0.0 | 2.9 |
| <u>Primary Mission Readiness (%) N/A</u> | 80.0% | 0.0 | 80.0% | 0.0 | 80.0% |
| Total Air OPTEMPO \$ | 27.1 | 13.9 | 41.0 | 3.1 | 44.1 |
| Total Flying Hours (000) | 37.0 | 2.7 | 39.7 | -0.5 | 39.2 |

Air Force – Air Operations

| | FY 2004 Actual | Price Change | Program Change | FY 2005 Estimate | Price Change | Program Change | FY 2006 Estimate |
|---|-------------------|-----------------|-------------------|---------------------|-----------------|-------------------|---------------------|
| Air Operations | | | | | | | |
| Primary Combat Forces | 3,574.0 | 345.3 | -743.7 | 3,175.6 | 412.9 | 454.9 | 4,043.4 |
| Primary Combat Weapons | 327.3 | 8.1 | -13.1 | 322.3 | 9.3 | -44.4 | 287.2 |
| Combat Enhancement Forces | 485.6 | 15.4 | -51.6 | 449.4 | 17.8 | 139.8 | 607.0 |
| Air Operations Training | 1,179.5 | 80.7 | -61.0 | 1,199.2 | 123.4 | 78.5 | 1,401.1 |
| Combat Communications | 1,720.5 | 68.0 | -510.6 | 1,277.9 | 82.8 | 118.9 | 1,479.6 |
| Combat Related Operations | | | | | | | |
| Global C3I & Early Warning | 1,142.2 | 25.2 | -100.7 | 1,066.7 | 44.3 | 90.1 | 1,201.1 |
| Other Combat Operations Support Progr | 746.2 | 23.4 | -188.5 | 581.1 | 25.9 | 94.9 | 701.9 |
| Mobility Operations | | | | | | | |
| Airlift Operations | 3,036.2 | 128.5 | -1,826.2 | 1,338.5 | 202.3 | 1,119.3 | 2,660.1 |
| Basic Skills and Advanced Training | | | | | | | |
| Flight Training | 728.9 | 62.5 | -11.0 | 780.4 | 73.7 | -45.0 | 809.1 |
| Servicewide Activities | | | | | | | |
| Arms Control | 36.0 | 1.2 | -1.5 | 35.7 | 1.4 | 11.1 | 48.2 |
| Security Programs | | | | | | | |
| Security Programs | 1,085.7 | 24.1 | -83.6 | 1,026.2 | 23.9 | 315.1 | 1,365.2 |
| DPEM | | | | | | | |
| Depot Maintenance | 2,480.8 | 138.9 | -207.3 | 2,412.4 | 65.5 | 35.5 | 2,513.4 |
| Total | 16,542.9 | 921.3 | -3,798.8 | 13,665.4 | 1,083.2 | 2,368.7 | 17,117.3 |

Air Force – Air Operations Continued

| PROGRAM DATA | FY2004 | | FY2005 | | FY2006 | |
|----------------------------|---------------|---------------|-----------------|---------------|-----------------|--|
| | Actual | Change | Estimate | Change | Estimate | |
| Air Expeditionary Forces | 10 | 0 | 10 | 0 | 10 | |
| Crew Ratios (Average) | | | | | | |
| Bombers | 1.34 | 0 | 1.34 | 0 | 1.34 | |
| Fighters | 1.25 | 0 | 1.25 | 0 | 1.25 | |
| OPTEMPO | | | | | | |
| Bombers | 16.7 | -1.4 | 15.3 | -0.1 | 15.2 | |
| Fighters | 16.9 | 0 | 16.9 | -0.5 | 16.4 | |
| Mission Capable Rates (%)* | | | | | | |
| Bombers | 70.3 | -2.6 | 67.7 | 1.5 | 69.2 | |
| Fighters | 80.2 | 0.7 | 80.9 | -1.5 | 79.4 | |

* The Air Force FY 2004 – FY 2006 Mission Capable (MC) rate estimates are based solely on predicted spare parts funding levels. The current MC model does not consider other critical factors that influence MC rates such as operational tempo, aircraft age.

Navy – Air Operations

Description of Operations Financed: Active Navy Air Operations fund the operating tempo, intermediate, organizational and depot level maintenance, fleet training, engineering support, and logistical support to operate, maintain, and deploy aviation forces in support of the national military strategy. Navy Air Operations is subdivided into the following categories:

| | <u>FY 2004 Actual</u> | <u>Program Change</u> | <u>FY 2005 Estimate</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
| Primary Authorized Aircraft (PAA) (EOY) | 2,409 | -42 | 2,367 | -50 | 2,317 |
| Total Aircraft Inventory (TAI) (EOY) | 3,131 | -324 | 2,807 | -30 | 2,777 |
| (TAI includes ACTIVE and RESERVE Primary Active Inventory (PAI), backup, attrition and reconstitution reserve aircraft for Atlantic Fleet, Pacific Fleet, Marine Corps, European Command, Reserve Forces, Education and Training command, and Air Systems Command) | | | | | |
| Total Flying Hours (000's) | 1,152.1 | -23.0 | 1,129.2 | -138.1 | 991.1 |
| Tactical Fighter Wings | 10 | 0 | 10 | 0 | 10 |
| Average Crew Ratio | 1.41 | 0.01 | 1.42 | 0.13 | 1.55 |
| Hours Per Crew Per Month (H/C/M) | 19.2 | 0.0 | 19.2 | -0.2 | 19.0 |
| Average T-rating | T-2.3 | | T-2.5 | | T-2.3 |
| Naval Aviation Installations | | | | | |
| CONUS | 15 | | 15 | | 15 |
| Overseas | 8 | | 8 | | 8 |

Narrative Explanation of Changes:

PAA decreases from FY 2005 to FY 2006 due to various force structure changes, including the retirement of S-3B aircraft and the continued decommissioning of F-14s. In FY 2006, the flying hour budget is sufficient to achieve readiness and safety.

goals equivalent to those achieved in FY 2004. The Fleet Response Plan (FRP) began in FY 2004, which increased the Inter-Deployment Readiness Cycle to 27 months from 22 months, thus allowing for a decrease in average H/C/M and T-rating.

Navy Reserve – Air Operations

| | <u>FY 2004 Actual</u> | <u>Program Change</u> | <u>FY 2005 Estimate</u> | <u>Program Change</u> | <u>FY 2006 Estimate</u> |
|--|---------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
| Primary Authorized Aircraft (PAA) (EOY) | 381 | -9 | 372 | -8 | 364 |
| Total Aircraft Inventory (TAI) (EOY) | 406 | -20 | 386 | -8 | 378 |
| (TAI includes ACTIVE and RESERVE Primary Active Inventory (PAI), backup, attrition and reconstitution reserve aircraft for Atlantic Fleet, Pacific Fleet, Marine Corps, European Command, Reserve Forces, Education and Training command, and Air Systems Command) | | | | | |
| Total Flying Hours (000's) | 141.9 | 8.8 | 150.7 | -21.9 | 128.8 |
| Tactical Fighter Wings | 1 | | 1 | | 1 |
| Average Crew Ratio | 1.41 | 0.01 | 1.42 | 0.13 | 1.55 |
| Hours Per Crew Per Month (H/C/M) | 11.3 | -1.1 | 10.2 | -1.4 | 8.8 |
| Average T-rating | T-2.2 | | T-2.3 | | T-2.8 |

Narrative Explanation of Changes:

The reduction in PAA and TAI across all budget years reflects aircraft inventory downsizing associated with TACAIR Integration and Active/Reserve Integration initiatives. The reduction in both Total Flying Hours and Hours/Crew/Month in FY 2006 reflects the removal of mobilization assets and reprioritized baseline operations employed in support of the Global War on Terrorism.

Navy – Ship Operations

| | FY 2004 Budgeted | FY 2004 Actual | FY 2005 | FY 2006 |
|---------------------------------------|---------------------|-------------------|---------|---------|
| Ship Years Supported | 256 | 287 | 277 | 267 |
| Optempo (Days Underway Per Quarter) | | | | |
| Deployed | 54 | 60 | 51 | 51 |
| Non-Deployed | 28 | 26 | 24 | 24 |
| Ship Operating Months Supported | | | | |
| Deployed | 566 | 523 | 686 | 631 |
| Non-Deployed | 1,284 | 2,242 | 2,050 | 1,953 |
| Ship Steaming Days Per Quarter | | | | |
| Deployed | 2,355 | 2,176 | 2,531 | 2,347 |
| Non-Deployed | 2,585 | 2,731 | 2,505 | 2,245 |
| Underway Steaming Hours (000) | | | | |
| Deployed | 207,926 | 191,488 | 222,715 | 206,525 |
| Non-Deployed | 215,292 | 227,219 | 208,394 | 186,787 |
| Barrels of Fossil Fuel Required (000) | 11,441 | 12,523 | 11,606 | 10,178 |
| Nuclear Material Consumption (\$000) | 8,907 | 8,637 | 9,600 | 9,411 |
| MSC Charter Inventory | 42 | 42 | 44 | 47 |
| Per Diem Days Chartered | | | | |
| Full Operating Status | 12,932 | 13,270 | 12,775 | 13,719 |
| Reduced Operating Status | 1,098 | 1,098 | 1,825 | 1,400 |

Army – Depot Maintenance

| Type of Maintenance | <u>Prior Year (FY 2004)</u> | | | | <u>Current Year (FY 2005)</u> | | | | <u>Budget Year (FY 2006)</u> | | | | |
|--------------------------|-----------------------------|--------------------------|--------------------|----------------|-------------------------------|-----------------------------|-----------------|----------------|------------------------------|----------------|------------|---------------|----------------|
| | <u>Budget</u> | <u>Actual Inductions</u> | <u>Completions</u> | | <u>Budget</u> | <u>Estimated Inductions</u> | <u>Carry-In</u> | <u>Budget</u> | | | | | |
| | Qty (\$ in M) | Qty (\$ in M) | Prior Yr | Cur Yr | Qty (\$ in M) | Qty (\$ in M) | Qty | Qty (\$ in M) | | | | | |
| DEPOT MAINTENANCE | | | | | | | | | | | | | |
| AIRCRAFT | 5,182 | 212 | 6,920 | 174.5 | n/a | n/a | 5,734 | 229.6 | 5,436 | 254.2 | n/a | 5,541 | 319.6 |
| COMBAT VEHICLES | 490 | 190 | 1,708 | 514.0 | n/a | n/a | 526 | 209.6 | 369 | 259.9 | n/a | 469 | 303.1 |
| COMM-ELECTRONICS | 6,159 | 69 | 21,824 | 330.7 | n/a | n/a | 10,637 | 74.9 | 12,862 | 71.0 | n/a | 17,982 | 103.1 |
| MISSILES | 1,575 | 241 | 596 | 217.0 | n/a | n/a | 1,559 | 204.2 | 1,129 | 222.0 | n/a | 1,084 | 221.9 |
| OTHER | 1,943 | 112 | 3,560 | 658.7 | n/a | n/a | 31,577 | 124.6 | 11,285 | 114.7 | n/a | 24,968 | 136.8 |
| SOFTWARE | 0 | 157 | 0 | 106.1 | n/a | n/a | 0 | 188.2 | 0 | 95.0 | n/a | 0 | 175.6 |
| TOTAL | 15,349 | 981 | 35,608 | 2,001.0 | n/a | n/a | 50,033 | 1,031.1 | 31,081 | 1,016.8 | n/a | 50,044 | 1,260.1 |

Air Force – Depot Maintenance

Depot Purchased Equipment Maintenance (DPEM) supports the front-line fighters, bombers, missiles, airlifters, refuelers, trainers, and rescue and recovery aircraft used within the Air Force. DPEM consists of all organic and contract depot level maintenance.

A. Organic Depot Maintenance

| Type of Maintenance | <u>Prior Year (FY 2004)</u> | | | | | | <u>Current Year (FY 2005)</u> | | | | | | <u>Budget Year FY 2006</u> | |
|--|-----------------------------|------------------|-------------------|------------------|-----------------|---------------|-------------------------------|------------------|----------------------|------------------|------------|------------------|----------------------------|------------------|
| | Budget | | Actual Inductions | | Completions | | Budget | | Estimated Inductions | | Carry-In | | Budget | |
| | <u>Qty</u> | <u>(\$ in M)</u> | <u>Qty</u> | <u>(\$ in M)</u> | <u>Prior Yr</u> | <u>Cur Yr</u> | <u>Qty</u> | <u>(\$ in M)</u> | <u>Qty</u> | <u>(\$ in M)</u> | <u>Qty</u> | <u>(\$ in M)</u> | <u>Qty</u> | <u>(\$ in M)</u> |
| Commodity: Aircraft¹ | 608 | \$1,088.4 | 656 | \$1,332.2 | 621 | 638 | 698 | \$1,222.1 | 719 | \$1,433.0 | 145 | | 645 | \$1,355.6 |
| Airframe Maintenance | 180 | 849.5 | 203 | 1,060.0 | 200 | 184 | 172 | 945.0 | 206 | 1,124.8 | 88 | | 160 | 1,015.2 |
| Engine Maintenance | 428 | 238.9 | 453 | 272.2 | 421 | 454 | 526 | 277.1 | 513 | 308.2 | 57 | | 485 | 340.4 |
| Commodity: Other¹ | 0 | 302.6 | n/a | | n/a | n/a | 0 | 273.9 | n/a | | n/a | | 0 | 314.5 |
| Missiles | 0 | 35.1 | n/a | | n/a | n/a | 0 | 36.1 | n/a | | n/a | | 0 | 36.1 |
| Software | 0 | 164.8 | n/a | | n/a | n/a | 0 | 140.5 | n/a | | n/a | | 0 | 161.9 |
| Other Major End Items | 0 | 37.6 | n/a | | n/a | n/a | 0 | 37.0 | n/a | | n/a | | 0 | 50.3 |
| Non-Material Support Division | | | | | | | | | | | | | | |
| Exchangeables | 0 | 33.6 | n/a | | n/a | n/a | 0 | 32.4 | n/a | | n/a | | 0 | 32.2 |
| Other | 0 | 31.5 | n/a | | n/a | n/a | 0 | 28.0 | n/a | | n/a | | 0 | 33.9 |
| Depot Quarterly Surcharge | 0 | 0.0 | n/a | | n/a | n/a | 0 | 0.0 | n/a | | n/a | | 0 | 0.0 |
| DEPOT MAINTENANCE TOTAL¹ | 608 | \$1,391.0 | n/a | | n/a | n/a | 698 | \$1,496.0 | n/a | | n/a | | 645 | \$1,670.1 |

¹Commodity totals match the commodity totals on the OP-30 exhibit.

Air Force – Depot Maintenance (Continued)

B. Contract Depot Maintenance

| <u>Type of Maintenance</u> | Prior Year (FY 2004) | | | | | | Current Year (FY 2005) | | | | Budget Year (FY 2006) | | |
|--|----------------------|------------------|-------------------|----------------|-------------|------------|------------------------|----------------|----------------------|----------------|-----------------------|------------|----------------|
| | Budget | | Actual Inductions | | Completions | | Budget | | Estimated Inductions | | Carry-In | Budget | |
| | Qty | (\$ in M) | Qty | (\$ in M) | Prior Yr | Cur Yr | Qty | (\$ in M) | Qty | (\$ in M) | Qty | Qty | (\$ in M) |
| Commodity: Aircraft¹ | 139 | \$356.6 | 203 | \$442.4 | 160 | 199 | 106 | \$345.2 | 175 | \$388.8 | 92 | 106 | \$237.9 |
| Airframe Maintenance | 36 | 278.2 | 35 | 230.1 | 48 | 42 | 23 | 267.7 | 36 | 248.8 | 23 | 15 | 154.4 |
| Engine Maintenance | 103 | 78.3 | 168 | 212.3 | 112 | 157 | 83 | 77.5 | 139 | 140.0 | 69 | 91 | 83.5 |
| Commodity: Other¹ | 0 | 733.2 | n/a | n/a | n/a | n/a | 0 | 571.2 | n/a | n/a | n/a | 0 | 605.4 |
| Missiles | 0 | 9.2 | n/a | n/a | n/a | n/a | 0 | 10.9 | n/a | n/a | n/a | 0 | 9.0 |
| Software | 0 | 417.9 | n/a | n/a | n/a | n/a | 0 | 314.8 | n/a | n/a | n/a | 0 | 354.8 |
| Other Major End Items | 0 | 132.5 | n/a | n/a | n/a | n/a | 0 | 134.8 | n/a | n/a | n/a | 0 | 123.3 |
| Non-Material Support Division | | | | | | | | | | | | | |
| Exchangeables | 0 | 141.4 | n/a | n/a | n/a | n/a | 0 | 110.5 | n/a | n/a | n/a | 0 | 118.3 |
| Other | 0 | 1.3 | n/a | n/a | n/a | n/a | 0 | 0.1 | n/a | n/a | n/a | 0 | 0.0 |
| Depot Quarterly Surcharge | 0 | 30.9 | n/a | n/a | n/a | n/a | 0 | 0.0 | n/a | n/a | n/a | 0 | 0.0 |
| DEPOT MAINTENANCE TOTAL¹ | 139 | \$1,089.8 | n/a | n/a | n/a | n/a | 106 | \$916.4 | n/a | n/a | n/a | 106 | \$843.3 |

¹Commodity totals match the commodity totals on the OP-30 exhibit.

Navy – Ship Depot Maintenance

Activity Goal: To provide maintenance necessary to sustain the operational readiness of combat forces, to ensure the safe and efficient operation of weapon systems, to renovate assets (recapitalization), and to ensure equipment is at or above fully mission capable standards prior to any transfers from the Active to Reserve Components.

Description of Activity: Depot Maintenance programs fund the overhaul, repair, and maintenance of aircraft and other equipment. Depot Maintenance is performed at both public (DoD) and private (contractor) facilities.

| | <u>Prior Year (FY 2004)</u> | | | | <u>Current Year (FY 2005)</u> | | | | <u>Budget Year (FY 2006)</u> | | | | |
|------------------------------------|-----------------------------|------------------|-------------------|------------------|-------------------------------|-----------|-----------|------------------|------------------------------|------------------|-----------|-----------|------------------|
| | Budget | | Actual Inductions | | Completions | | Budget | | Estimated | | Budget | | |
| | Qty | (\$ in K) | Qty | (\$ in K) | Prior Yr | Cur Yr | Qty | (\$ in K) | Inductions | (\$ in K) | Carry-In | Qty | (\$ in K) |
| Overhauls | 4 | 428,250 | 3 | 324,496 | 4 | 0 | 4 | 689,742 | 3 | 349,956 | 5 | 4 | 412,452 |
| Selected Restricted Availabilities | 54 | 649,473 | 62 | 848,956 | 14 | 47 | 63 | 608,525 | 57 | 611,743 | 15 | 54 | 638,190 |
| Planned Incremental Availabilities | 2 | 356,667 | 2 | 399,847 | 3 | 1 | 2 | 399,608 | 2 | 476,781 | 2 | 3 | 446,610 |
| Phased Maintenance Availabilities | 13 | 184,607 | 18 | 336,482 | 11 | 15 | 21 | 289,854 | 23 | 274,690 | 4 | 15 | 166,522 |
| Emergent Repair | n/a | 311,239 | n/a | 247,550 | n/a | n/a | n/a | 265,830 | n/a | 250,691 | n/a | n/a | 237,678 |
| Miscellaneous RA/TA | n/a | 578,533 | n/a | 584,967 | n/a | n/a | n/a | 502,255 | n/a | 786,094 | n/a | n/a | 912,676 |
| Continuous maintenance | n/a | 309,083 | n/a | 367,256 | n/a | n/a | n/a | 353,456 | n/a | 289,144 | n/a | n/a | 262,429 |
| Reimbursable overhead | n/a | 268,200 | n/a | 196,534 | n/a | n/a | n/a | 233,589 | n/a | 169,066 | n/a | n/a | 155,431 |
| Intermediate maintenance* | n/a | 481,493 | n/a | 615,682 | n/a | n/a | n/a | 567,580 | n/a | 662,605 | n/a | n/a | 735,420 |
| TOTAL | 73 | 3,567,545 | 85 | 3,921,770 | 32 | 63 | 90 | 3,910,439 | 85 | 3,870,769 | 26 | 76 | 3,967,408 |

Explanation of Performance Variances:

FY04

Increase in actual inductions and associated funding associated with cost of war and supplemental funding. LANTFLT Regional Maintenance Centers funding shown separately FY 2006.

Navy – Aircraft Depot Maintenance

| | Prior Year (FY 2004) | | | | | | Current Year (FY 2005) | | | | Budget Year (FY 2006) | |
|-----------------|----------------------|------------|---------------|--------------|--------------------|--------|------------------------|------------|------------------|--------------|--------------------------|-------------------------|
| | <u>Budget</u> | | <u>Actual</u> | | <u>Inductions*</u> | | <u>Budget</u> | | <u>Estimated</u> | | <u>Carry-</u> | <u>Budget</u> |
| | Qty | (\$inM) | Qty | (\$inM) | Prior Yr | Cur Yr | Qty | (\$inM) | Qty | (\$inM) | In Qty | Qty (\$inM) |
| Airframe Rework | 832 | 561 | 757 | 599 | n/a | n/a | 897 | 609 | 818 | 738 | n/a | 834 548 |
| Engine Rework | 1,772 | 364 | 1,417 | 353 | n/a | n/a | 1,792 | 312 | 1,482 | 304 | n/a | 1,799 329 |
| Components | | 55 | | 71 | | | | 75 | | 73 | | 85 |
| TOTAL | 2,604 | 980 | 2,174 | 1,023 | | | 2,689 | 996 | 2,300 | 1,115 | | 2,633 962 |

Explanation of Performance Variances:

FY 2004

(\$ in M)

Components: Increases cost associated with VH-3D/WH-60 Executive Mission Helicopter Program, KC-130J Contractor Logistics Support (CLS) - Airframes, Special Projects, EP-3E JSAT, EA-6B PODS (AN/ALQ-99), V-22 Power By the Hour (PBH), and Engine Containers

15.7

Engine Rework: Decrease associated with the reduction of Engine Repairs, Gear Box/Torque Meter Overhauls, and Field Team Support.

-10.4

Airframe Rework: Decrease associated with divestiture and early retirement costs of the following Airframes F14 (-18 units), UC12B (-3 units), S3B (-22 units) and UH3H (-6).

-16.2

Airframe Rework: Increase associated with Enhanced Special Structural Inspections (ESSI) for the P3C.

54.2

FY2005

Component Rework: Minor decreases in required E-6 repair of repairable (ROR), EA-6B PODS (AN/ALQ-99), V-22 Power By the Hour (PBH), And KC-130J Contractor Logistics Support (CLS).

-1.7

Engine Rework: Decrease associated with the reduction in requirement of engine overhauls (-71) and engine repairs (-233).

-7.1

Airframe Rework: Decrease in requirement of seven Air Worthiness Inspections (AWI).

-13.4

Airframe Rework: Increase re-prices FY 2005 workload to prevent insolvency in the Navy Working Capital Fund (NWCF)

142.4

Army – Facilities Restoration & Modernization

| | <u>FY 2004</u> | <u>FY 2005</u> | <u>FY 2006</u> |
|--|-----------------------|-----------------------|-----------------------|
| A. Facilities Sustainment (\$000) | 1,099,889 | 1,713,434 | 1,679,451 |
| B. Facilities Restoration & Modernization (\$000)* | 109,751 | 93,204 | 122,086 |
| C. Demolition (Facility Reduction Program) (\$000) | <u>24,741</u> | <u>23,525</u> | <u>24,087</u> |
| TOTAL | 1,234,381 | 1,830,163 | 1,825,624 |

Notes:

* The fluctuations in the Facilities Restoration and Modernization program are directly related to the funding stream for the Barracks Upgrade Program (BUP). The BUP funding stream will culminate in the buyout of the program by FY 2008 in accordance with the Strategic Planning Guidance.

Air Force – Facilities Restoration & Modernization

| | FY 2004 Actual | FY 2005 Estimate | FY 2006 Estimate |
|---------------------------------------|-------------------|---------------------|---------------------|
| Sustainment (\$000) | 1,228.4 | 1,475.1 | 1,636.2 |
| Restoration and Modernization (\$000) | 1,057.3 | 375.1 | 179.4 |
| Demolition (\$000) | 14.0 | 0.1 | 0.0 |
| TOTAL | 2,299.7 | 1,850.3 | 1,815.6 |

Notes:

- 1: FY 2004 actual column includes contingency, storm damage, and Transportation Working Capital Funds (TWCF) FY 2004 obligations. For non-contingency, non-storm, non-TWCF FY 2004 obligations are: Facilities Sustainment: \$1,176.0M; R&M: \$610.7M; and Demolition: \$13.4M.
- 2: FY 2005 Estimate does not include contingency, storm damage, and Transportation Working Capital Funds (TWCF). If contingency numbers are required, the following estimate for FY 2005 follows: Facilities Sustainment: \$1,519.3M; R&M: \$408.5M; and Demolition: \$0.1M.

Navy – Facilities Restoration & Modernization

| | FY 2004 | FY 2005 | FY 2006 |
|--|------------------|------------------|------------------|
| Sustainment (\$000) | 837,550 | 1,210,130 | 1,271,744 |
| Restoration and Modernization (\$000) | 201,629 | 63,473 | 25,867 |
| Demolition (\$000) | 20,837 | 45,577 | 47,360 |
| TOTAL | 1,060,016 | 1,319,180 | 1,344,971 |

Defense Health Program – Performance Metrics

The Defense Health Program (DHP) continues to refine existing performance measures and develop specific criterion to determine and measure outputs/outcomes as compared with initial goals. Currently, the DHP is using five performance measures to monitor overall program performance. These measures will be added to over time as new measures are developed. The current five measures are:

- **Beneficiary Satisfaction with Health Plan** – An increase in the satisfaction with the Health Plan indicates that actions being taken are improving the overall functioning of the plan from the beneficiary perspective. The goal is to improve overall satisfaction level to that of civilian plans using a standard survey instrument.
- **Inpatient Production Target (Relative Weighted Products)** – Achieving the production targets ensures that the initial plan for allocation of personnel and resources are used appropriately in the production of inpatient workload.
- **Outpatient Production Target (Relative Value Units)** – Achieving the production targets ensures that the initial plans for allocation of personnel and resources are used appropriately in the production of outpatient workload.
- **Primary Care Productivity** – In order to run a premier Health Maintenance Organization, the critical focus area is primary care. The primary care provider frequently represents the first medical interaction between the beneficiary and the HMO. In this role, the primary care provider is responsible for the majority of the preventive care to keep beneficiaries healthy and away from more costly specialty care.
- **Medical Per Member Per Year – Annual Cost Growth** – This is a new measure just being developed which will be used for the first time in FY 2005. The medical cost per member per year looks at the overall cost of the Prime enrollees for the DHP. This tracks all costs related to care delivered to enrollees. The objective is to keep the rate of cost growth for the treatment of TRICARE enrollees to a level at or below the civilian health care plans rate increases at the national level.

Defense Health Program – Performance Metrics Continued

Initial goals have been developed for each of these performance measures. The overall success of each area measured is discussed below.

- **Beneficiary Satisfaction with Health Plan** – Satisfaction with Health Care Plan continues to improve with an upward trend. For FY 2004 the score was 53%, 2 percentage points above last year's score, but below the goal of 56%. For the individuals who have chosen to enroll with the Military Health System in TRICARE Prime, their scores for the third and fourth quarter reporting periods met the goal of 56%. Additionally, enrollees to the Managed Care Support Contractor (MCSC) have not only met the goal for the year, but surpassed the Civilian Benchmark for each quarter of FY 2004. Continuous increases in enrollment and improvement in the score demonstrates real progress for the program.
- **Inpatient Production Target (Relative Weighted Products)** – Production for FY 2004 was 242.8K relative weighted products versus a goal of 241K relative weighted products. The Defense Health program exceeded the goal for FY 2004, despite deployments of providers and support staff in support of the Global War on Terror that negatively impact productivity.
- **Outpatient Production Target (Relative Value Units)** - Production for FY 2004 was 27.3 million relative value units versus a goal of 29.5 million relative value units. Two factors are having a significant impact on this metric. First, there has been an emphasis to improve medical coding which has resulted in a decrease in the average level of complexity being reported in the medical record that drives down the relative value units. Second, specialty deployments in support of the Global War on Terror have also negatively impacted outpatient care productivity. We will continue to monitor performance and take any necessary actions to improve performance.
- **Primary Care Productivity** – Improvements in productivity have continued in FY 2004, reaching 13.7 relative value units per primary care provider per day versus a goal of 14.5 relative value units per primary care provider per day. Two of the three Services showed significant improvement over the prior year performance with increases of .5 relative value units per primary care provider per day. The FY 2004 goal is more aggressive than the historical improvement trend within the system. The objective is to move the Defense Health Program forward in a manner that requires dramatic improvements to the system. Improvements in medical coding also has an affect on this metric, resulting in a decrease in the average level of complexity being reported in the medical record, which drives down the relative value units used in

the numerator of the metric. The aggressive nature of the goals will likely result in performance below the goal level, but we expect performance to continue to improve for the system. We will continue to monitor performance and take any necessary actions to improve performance.